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**MS-45**

**MANAGEMENT PROGRAMME/ POST  
GRUADUATE DIPLOMA IN FINANCIAL  
MANAGEMENT (MP/PDGFM)**

**Term-End Examination**

**June, 2021**

**MS-45 : INTERNATIONAL FINANCIAL  
MANAGEMENT**

*Time : 3 Hours*

*Maximum Marks : 100*

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**Note :** Attempt any *five* questions. All questions  
*carry equal marks.*

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1. What do you understand by 'equilibrium', 'disequilibrium' and 'adjustment' in the context of Balance of Payments ? Discuss the various approaches used to explain process of 'Adjustment'.
2. Explain the Bretton woods exchange rate system and discuss the causes of its collapse. Describe the present system of exchange rates determination around the globe.

3. What is 'Interest Rate Parity Relationship' ? Describe its applications and discuss the reasons for deviations from this relationship.
4. What are 'Currency Options' ? Discuss the factors that determine the premium/price of an option. Describe the profit profile of the buyer and seller of put and call options respectively.
5. What are External Commercial Borrowings ? Who are eligible borrowers recognised under the approval route ? What are other compliance requirements for accessing such borrowings under the approval route ?
6. Describe the various types of export credit facilities available to the exporters in India. Discuss the role of letters of credit in this regard.
7. How is domestic working capital management different from multinational working capital management ? Describe the techniques used for optimising cash flows. What are the complexities associated with it ?
8. What is Foreign Direct Investment (FDI) ? Discuss the factors which motivate FDI. What subsequent decisions are taken by investors after making such investment and why ? Discuss.

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**P. T. O.**