

MANAGEMENT PROGRAMME (MP)

Term-End Examination

June, 2023

**MS-45 : INTERNATIONAL FINANCIAL
MANAGEMENT**

Time : 3 Hours

Maximum Marks : 100

Weightage 70%

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

1. Explain in detail the evolution of International Financial Architecture. Discuss the different types of capital flows to developing countries and highlight their relative importance for industrial growth.
2. What is the 'Pool Reserves' with the International Monetary Fund (IMF) ? Discuss the transformation in pool of reserves since its inception. Explain the IMF's funding facilities available to member countries.
3. What is 'currency option' ? Explain the pay off profile of the holder and writer of call and put options.

4. Explain the 'Interest Rate Parity' relationship. Discuss its application and reasons for deviation.
5. What are Depository Receipts ? Explain the features of an American Depository Receipts (ADRs) and discuss the guidelines for ADR issues by the Indian companies.
6. What is Export Credit ? Discuss the different types of export credit granted by the banks. List the various types of 'Letters of Credit' and explain the procedure of negotiation of bills under letter of credit.
7. What factors make capital budget evaluation process complicated for multinational corporations ? How is the risk analysis done for international investment decisions ?
8. What is international portfolio diversification ? Discuss the barriers to international diversification and explain the methods used to overcome these barriers.