

**MANAGEMENT PROGRAMME
(MP)**

**Term-End Examination
June, 2025**

**MS-45 : INTERNATIONAL FINANCIAL
MANAGEMENT**

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

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

1. What is International Financial Architecture ? Explain historical perspective of international financial architecture and discuss the origin of developing countries debt crisis.
2. Describe the different kinds of international financial flows. Explain the structure of balance of payments and discuss the basic principles governing recording of the flows.

3. What is Purchasing Power Parity (PPP) relationship ? Describe its possible applications and discuss reasons for its deviation.
4. What are the different types of exchange rate exposures ? Describe the internal techniques used for management of transaction exposure.
5. Explain the following schemes of Export Credit Guarantee Corporation (ECGC) Ltd. :
 - (i) Maturity Factoring.
 - (ii) Guarantees to Banks
6. Why does cost of capital for MNCs differ from that of domestic firms ? How is cut-off rates for foreign projects determined ?
7. Discuss the factors stimulating Foreign Direct Investment (FDI). What subsequent decisions MNCs have to take after investing in host countries through FDI ?
8. Explain the following :
 - (i) Portfolio Hedging Strategies
 - (ii) Vehicles for overcoming capital flow barriers

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