



MULTINATIONAL FINANCIAL MANAGEMENT

OVERVIEW

RISE OF MNC

Foreign Branch

Parent

Domestic Subsidiary

International Finance Company

Foreign holding Company

Foreign Branch

Foreign operating Company,
Company C

Foreign operating Company,
Company B

Foreign operating Company,
Company A

Foreign or Local Branches of subsidiary C

*REASONS TO GO GLOBAL

1. More raw materials

2. New markets

3. Minimize costs of production

GROWTH OF INTERNATIONAL FINANCE

- Growth in International Trade
- Growth in Foreign Investment
- Structural Changes in International Financial Market
- Adoption of Floating Exchange Rate Regime
- Fast Development in IT

IMPORTANCE OF INTERNATIONAL FINANCE

- 1. No country can be an economic entity into itself.
- 2. Help to face the general environment of the economy.
- 3. Help in minimizing cost and maximize the return.
- 4. Plays vital role in the field of economic welfare of a country.
- 5. International financial system helps the Indian economy to open for foreign competition.

TYPES OF RISK IN INTERNATIONAL FINANCE

Exchange Rate Risk

Interest Rate Exposure

Political Risk

INTERNATIONALIZATION OF FINANCE AND ITS REWARDS

FINANCE

- International Financial Market
- Sources of International Financing
- Instruments of International Financing
- International Equities
- International Bonds

REWARDS

- International Recognition
- More Profit
- Minimizing The Exchange Rate Risk
- Access Foreign Capital
- Easy Availability Of Financial Assistance
- Lower Tax Burden
- Lower Cost Of Financing
- No. of Financial Instrument are Available
- No of Opportunities
- Choice of doing business in sound economy
- No of investors are in global financial market

DIFFERENT FACETS OF MULTINATIONAL FINANCIAL MANAGEMENT

Financial Accounting

Project Accounting

Expense Management

INTERNATIONAL FINANCIAL

DECISION

Capital Structure: How much Fund Required







THANK YOU