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Roll No.

II498

B.M.S./M.B.A. EXAMINATION, May 2019

(Ninth Semester)

(B. Scheme) (Re-appear)

(5 Years Integrated)

(BMS-MBA)

MBIIB01

FOREIGN EXCHANGE MANAGEMENT

Time : 3 Hours]

[Maximum Marks : 70

Before answering the question-paper candidates should ensure that they have been supplied to correct and complete question-paper. No complaint, in this regard, will be entertained after the examination.

Note : Attempt *Five* questions in all, selecting at least *one* question from each Unit. All questions carry equal marks.

(2-18/13) M-II498

P.T.O.

Unit I

1. Explain the factors affecting the exchange rates with examples. Also discuss the various participants in FOREX market in India. **14**
2. Explain the following with examples :
 - (a) Bid-Ask spreads and Fixed V/S floating exchange rate
 - (b) Interbank and international market quotations in FOREX market. **7 each**

Unit II

3. Explain the following : **7 each**
 - (a) Difference between Spot and Forward transactions
 - (b) SWAP transaction and interbank deal.
4. Explain with examples that how the international fisher effect reflects interest rate parity and the expectation theory of forward rates. **14**

Unit III

5. Explain the trading and settlement mechanism of currency future with the help of examples. **14**
6. What is currency swap ? Explain its features. Also explain the steps involved in currency swap with examples. **14**

Unit IV

7. What are the various alternatives available to a firm to finance its international trade and investment ? Explain two major methods of financing international operational. **14**
8. Explain the various techniques to manage translation risk and exposure with examples. **14**