

No. of Printed Pages : 03

Roll No.

II-498

**Dual Degree Bachelor of Management
Studies (BMS)/Master of Business
Administration (MBA) EXAMINATION,
Dec. 2017**

(Ninth Semester)

(Main/Re-appear)

FOREIGN EXCHANGE MANAGEMENT

MBI-IB-01

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.

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P.T.O.

Unit I

1. Explain the following with their relevance :
 - (a) Floating exchange rate and Bid-Ask spread
 - (b) Determinants of exchange rate. **7 each**
2. Explain the following :
 - (a) International market quotations
 - (b) Steps for exchange rate control. **7 each**

Unit II

3. Explain the following :
 - (a) Difference between spot and forward transactions
 - (b) Factors determining forward margins. **7 each**
4. Explain with example that how, the international fisher effect reflects interest rate parity and the expectation theory of forward rates. **14**

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Unit III

5. What is currency swap ? Explain its features. Also explain the steps involved in currency swap with examples. **14**
6. What are the factors on which the value of an currency options contract depends ? How do the exporters hedge in the market for currency options ? **14**

Unit IV

7. Elaborate the various techniques to managing transaction and economic exposure with examples. **14**
8. Explain the different modes of financial of international trade with examples. **14**

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