

No. of Printed Pages : 03

Roll No.

CC-389

M.B.A. EXAMINATION, May 2017

(Fourth Semester)

(Main & Re-appear)

IB-01

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.

Unit I

1. What is the meaning of exchange rates ? Do you agree that floating exchange rate regime is better option than the fixed exchange rate regime ?

(1-17/8) M-CC-289

P.T.O.

2. Write short notes on the following :
- (a) Distinguish between spot market and the forward market.
 - (b) International Market Quotations.

Unit II

3. What do you mean by forward margins ?
Describe the factors determining forward margins.
4. Briefly explain the following : **5+5+4**
- (a) Interbank deals
 - (b) Cover deals
 - (c) Swap deals.

Unit III

5. What do you mean by Currency Options ?
Explain in brief about trading strategies using option contract.

6. State briefly the following with relevant examples :
- (a) Currency Futures
 - (b) Forward Rate Agreements
 - (c) Currency Derivatives.

Unit IV

7. Compare the three types of exposure :
Translation, Transaction and economic exposure.
8. Write short notes on the following :
- (a) Sources of export financing
 - (b) Features of International Trade.