

Roll No.

12050

MBA 2 Year 3rd Semester (CBCS)

Examination – December, 2017

FOREIGN EXCHANGE MGT.

Paper : 16IMG23GI1

Time : Three Hours]

[Maximum Marks : 80

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

Note : Section-A contains eight short answer type questions of two marks each and is compulsory. From Section-B attempt four questions, selecting one from each Unit. All questions carry equal marks.

SECTION – A

1. Write short notes on the following :

- (a) Power parity
- (b) Foreign exchange

12050-950-(P-3)(Q-5)(17)

P. T. O.

OR

Explain the role the central banking intervention of exchange rate stability.

UNIT – III

4. Discuss the nature, functions and participants of foreign exchange market.

OR

Write a detail note on "International Fisher Effect".

UNIT – IV

5. Explain the nature of Euro currency market and its instruments.

OR

What are the basic techniques of exposure management?

(c) Depreciation

(d) Hedging

(e) Bid-ask spreads

(f) Arbitrage

(g) Currency futures

(h) Swaps

SECTION – B

UNIT – I

2. What is Foreign Exchange and Also discuss its nature and sources of demand for and supply of foreign exchange.

OR

Explain the importance and benefits of overvalued and undervalued currencies.

UNIT – II

3. Discuss the general factors of exchange rate fluctuations.

12050- (P-3)(Q-5)(17) (2)

12050- (P-3)(Q-5)(17) (3)