

Roll No.

12050

**MBA 2 Year 3rd Semester (CBCS)
Examination – December, 2018**

FOREIGN EXCHANGE MANAGEMENT

Paper : 17IMG23GI1

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 (Question No. 1) is *compulsory*. Attempt *one* question from each Unit in Section – B. All questions carry equal marks.

SECTION – A

1. Write a short notes on the following :

- (a) Foreign Exchange
- (b) Overvalued Currencies
- (c) Exchange Rate Volatility
- (d) Spot Markets
- (e) Arbitrage

- (f) Hedging
- (g) Swaps
- (h) Over-the-counter options

SECTION – B

UNIT – I

2. Explain the nature of foreign exchange and also discuss the sources of demand and supply of foreign exchange.
3. Write a detail note on Exchange Rate System.

UNIT – II

4. Discuss the general factors of exchange rate fluctuations.
5. Explain the role of central banking intervention for exchange rate stability.

UNIT – III

6. Explain the nature, functions and participants of foreign exchange market.
7. Discuss the expectation theory of foreign exchange.

UNIT – IV

8. What is Euro currency market and its instruments ?
 9. Explain the basic techniques of exposure management.
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