Roll No. ....

12050

MBA 2 Year 3rd Semester (CBCS)

Examination – May, 2019

FOREIGN EXCHANGE MGT.

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** is ***compulsory***. Attempt ***four*** questions from **Section – B** (***one*** question from each Unit).

SECTION – A

1. Write short notes on the following :

(a) The balance of payments framework.

(b) Real exchange rates.

(c) Effect of depreciation of trade balance.

(d) Bid-ark spreads.

(e) Arbitrage operations.

(f) Credit risk of swaps.

(g) Euro currency market.

(h) Over-the-counter-options.

SECTION – B

UNIT – I

2. Discuss the determination of rate of exchange and also explain exchange rate system.

3. Explain the importance of purchasing power parity approaches. https://www.haryanapapers.com

UNIT – II

4. Write short notes on :

   (a) J-Curve effect

   (b) Overshooting exchange rats.

5. Explain the Dornbuchs Sticky-price theory of exchange rate volatility.

UNIT – III

6. Explain the International Fisher effect in foreign exchange management.

7. Discuss the various methods of quoting exchange rates.

UNIT – IV

8. What are the basic techniques of exposure management ?

9. Write a detail note on Foreign Exchange Regulation in India.