

Roll No.

Total Pages : 2

701424

May 2024

M.B.A. (Fourth Semester)

Foreign Exchange Management (MGT-FM-209)

Time : 3 Hours]

[Maximum Marks : 75

Note : It is compulsory to answer all the questions (1.5 marks each) of Part A in short. Answer any *four* questions from Part B in detail. Different sub-parts of a question are to be attempted adjacent to each other.

Part A

1. (a) Explain J curve. 1.5
- (b) Differentiate between real and nominal rate. 1.5
- (c) Differentiate between spot rate and forward rate. 1.5
- (d) Differentiate between official and market exchange rate. 1.5
- (e) Explain purchasing power parity. 1.5
- (f) Explain interest rate parity. 1.5
- (g) What is effective exchange rate ? 1.5

- (h) What is cross exchange rate ? 1.5
(i) What is put option ? 1.5
(j) What is call option ? 1.5

Part B

2. What is foreign exchange market ? Explain various factors affecting exchange rate determination in India. 15
3. Explain sticky price theory and overshooting model of foreign exchange rate. 15
4. Define foreign exchange exposure. What are the various types of foreign exchange exposures ? Explain the various methods of translation. 15
5. Explain various financial and operational techniques to manage foreign exchange exposure. 15
6. Explain various exchange rate regimes prevalent worldwide. 15
7. Define derivatives. Differentiate between forward and future contracts. 15