



PAPER ID-410914

Printed Page: 1 of 2

Subject Code: KMBNFM04

Roll No:

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MBA
(SEM IV) THEORY EXAMINATION 2023-24
FOREIGN EXCHANGE AND RISK MANAGEMENT

TIME: 3 HRS**M.MARKS: 100****Note:** 1. Attempt all Sections. If require any missing data; then choose suitably.**SECTION A****1. Attempt all questions in brief.****2 x 10 = 20**

a.	Explain balance of payments.	02
b.	Define Foreign Exchange Rate.	02
c.	Explain current account convertibility.	02
d.	Discuss Nostro Account.	02
e.	Define Forward Margin.	02
f.	What do you mean by Fixed & option forward contract?	02
g.	Define Chips & Chaps.	02
h.	What do you understand by Fed Wire.	02
i.	Define Hedge in Forex Market.	02
j.	Discuss exchange risk.	02

SECTION B**2. Attempt any three of the following:****3 x 10 = 30**

a.	Discuss foreign trade and also explain how it contributes to economic growth.	10
b.	Discuss any two theories of Foreign exchange rate.	10
c.	Differentiate between buying & selling rates in connection with merchant rates.	10
d.	Define Dealing position with its types in brief.	10
e.	What is Transaction Exposure & how it can be managed.	10

SECTION C**3. Attempt any one part of the following:****1 x 10 = 10**

a.	Explain in detail about the Exchange Rate System under IMF including Bretton woods system and Flexible Exchange Rate Regime.	10
b.	What is gold currency standard? Also discuss the gold exchange standards with reference to foreign exchange.	10

4. Attempt any one part of the following:**1 x 10 = 10**

a.	Discuss various categories of authorized persons with their functions in brief with special reference to Administration of Foreign Exchange.	10
b.	Discuss various categories of authorized dealers with their functions in brief with special reference to Administration of Foreign Exchange.	10

5. Attempt any one part of the following:**1 x 10 = 10**

a.	Examine the procedure for Calculation of fixed and option forward rates.	10
b.	What do you mean by Forward margin and also discuss factors that help to determine forward margin.	10

6. Attempt any one part of the following:**1 x 10 = 10**

a.	What is Forex Risk Management and also discuss risk in Forex Dealing.	10
b.	Write short note on:-	10



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	i) Mirror account	
	ii) Value date	
	iii) Exchange profit and loss	
	iv) R returns	

7. Attempt any *one* part of the following: 1 x 10 = 10

a.	Discuss Forward contract hedge & discuss how hedging is done with futures and options.	10
b.	Differentiate between translation exposure & economic exposure.	10

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