

D 52293

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Name.....

Reg. No.....

THIRD SEMESTER M.B.A. DEGREE EXAMINATION, JANUARY 2014

Business Administration

MBA FIN 2/MBA IBS 2—INTERNATIONAL FINANCE

(2010 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all questions.

Each question carries 1 weightage.

1. What is current account ?
2. What is forward rate ?
3. What is currency convertibility ?
4. What is SDR's ?
5. What do you mean by swap operations ?
6. What is inter bank customs rate ?

(6 × 1 = 6 weightage)

Part B

Answer any six questions.

Each question carries 3 weightage.

7. Explain the effects of exchange rate changes on economy.
8. Describe the macro-economic factors affecting exchange rates.
9. Explain the recent trends in exchange market in India.
10. Discuss the role of IMF in providing International liquidity.
11. Explain the structure of International Financial Market.
12. Explain the foreign exchange operations of a bank.
13. Discuss the different types of foreign exchange transactions.
14. Explain the role of RBI in Indian forex market.

(6 × 3 = 18 weightage)

Turn over

Part C

*Answer any two questions.
Each question carries 6 weightage.*

15. Explain the theories of exchange rates.
16. The administered exchange rate in India was Rs. 7.91/US \$ during 1981-90. The price index in India and U.S.A. rose by 67 per cent and 26 per cent respectively. Find out whether there was any change in real exchange rate during this period.

Also calculate Rs. / Euro exchange rate if the two exchange rates are :

Rs. 43.93 – 43.95 / US \$ and Euro 0.83 – 0.84/ US\$.

17. Consider the following bid-ask prices :

Rs. 40 – 40.50/ US \$.

- (a) Find the bid-ask spread.
- (b) Find out the bid rate if ask rate is Rs. 40.50/US \$ and the bid-ask spread is 1.23%.
- (c) Comment on the results.

(2 × 6 = 12 weightage)

