

**FOURTH SEMESTER M.B.A. DEGREE EXAMINATION, JUNE 2018**

Syllabus year 2016

M.B.A—Specialisation—Finance/International—Business

BUS 4E F05/IB 05—FOREX MANAGEMENT

Time : Three Hours

Maximum : 36 Weightage

**Section A***Answer all questions.**Each question carries 1 weightage.*

1. What is convertibility of currency ?
2. What is FOREX management ?
3. What is Gold Standard ?
4. What is Repatriable and Non Repatriable accounts ?
5. What do you mean by F.O.B and C.I.F ?
6. What is LOERMS ?

(6 × 1 = 6 weightage)

**Section B***Answer any four questions.**Each question carries 3 weightage.*

7. Explain Bretton Wood's system.
8. Explain Pre Ship and Post Ship Finance.
9. What are the different types of LC Parties.
10. What do you mean by Euro Market.
11. What are the different types of transport documents involved in international trade.
12. What are the different types of exchange rates.

(4 × 3 = 12 weightage)

**Section C***Answer any three questions.**Each question carries 4 weightage.*

13. Describe the Import, Export and FOREX market in India.
14. Explain the fixed and flexible foreign exchange rate system..

**Turn over**

15. Explain the functions of IMF.
16. Importance of futures and options in FOREX Mangement.
17. An Indian Export Oriented Unit has to get US \$ 30,00,000 as export proceeds after 90 days suppose the spot rate is 68/US \$ and the 90 days forward is Rs. 63/US \$ .The interest rate is in home country is and US is 8.5%p.a. while interest rate on deposit is 6.5% p.a .  
Describe how this firm can implement money market hedge for handling transaction exposure.  
(3 × 4 =12 weightage)

#### Section D

*Answer the following compulsory question which carries 6 weightage.*

18. Explain the role of central bank and commercial bank in the FOREX market  
(1 × 6 = 6 weightage)