

C 61104

(Pages : 2)

Name.....

Reg. No.....

**FOURTH SEMESTER M.B.A. DEGREE EXAMINATION, MAY/JUNE 2019**

(CUCSS)

M.B.A.

**BUS 4E F05/IB 05—FOREX MANAGEMENT**

(2016 Admissions)

Time : Three Hours

Maximum : 36 Weightage

**Section A**

*Answer all the questions.*

*Each question carries 1 weightage.*

1. What do you mean by Foreign Exchange ?
2. What is Euro market ?
3. What is Letter of Credit ?
4. What is E.C.G.C ?
5. What do you mean by Spot-Forward Rate ?
6. What is Bid Bond ?

(6 × 1 = 6 weightage)

**Section B**

*Answer any four questions.*

*Each question carries 3 weightage.*

7. Explain Bretton Wood's system.
8. What are the risk bearing documents in International trade ?
9. What are the different types of documentary credits ?
10. What do you mean by Special Drawing Rights ?
11. Explain the trade and exchange control formalities.
12. Explain the fixed and flexible exchange rate system.

(4 × 3 = 12 weightage)

**Turn over**

**Section C**

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

13. Explain the structure of Foreign exchange market.
14. Explain the role of IMF.
15. Illustrate the workings of money market hedging with examples.
16. What are the different documents involved in international trade ?
17. An Indian exporting company has to get US \$ 20,00,000 as export proceeds after 90 days suppose the spot rate is 67/US\$ and the 90 days forward is Rs. 62/US\$. The interest rate in home country is 8% p.a. while interest rate on deposit is 6% 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. Discuss the role of International Financial Institutions in Forex Management.

(1 × 6 = 6 weightage)