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FOURTH SEMESTER M.B.A. (2016 SCHEME) DEGREE EXAMINATION JULY 2025

(CUCSS)

MBA

BUS4EF05/IB05—FOREX MANAGEMENT

(2016 Scheme)

Time : Three Hours　　　　　　　　　　　　　　　　　Maximum : 36 Weightage

Part A

I. Answer all the following questions each question carries 1 weightage :

    1　What is fixed exchange rate system ?

    2　What is documentary credit ?

    3　What is ECGC ?

    4　What is special drawing rate in IMF ?

    5　What is bid bond ?

    6　What are Swaps ?

　　　　　　　　　　　　　　　　　　　　　　　(6 × 1 = 6 weightage)

Part B

II. Answer any *four* questions each carries 3 weightage :

    7　Briefly explain BOP crisis of 1990.

    8　Briefly explain the method of international trade settlement.

    9　Explain 5 Non-resident accounts in detail.

    10　Explain the statutory documents involved in International trade.

    11　What is Exports financing? Differentiate between pre-ship and post-ship finance.

    12　Explain the various risk covering documents related to International trade.

　　　　　　　　　　　　　　　　　　　　　　　(4 × 3 = 12 weightage)

Turn over

Part C

III. Answer any *three* question each carries 4 weightage :

13 Explain the various export schemes provided by various agencies for exporters.

14 Examine the influence of monetary policy on exchange rate system with special reference to foreign exchange markets in India.

15 What is IMF ? Explain the functions of IMF.

16 Explain Uniform custom practices of documentary credit.

17 How did the Bretton Woods agreement provide a stable monetary environment ?

$(3 \times 4 = 12$ weightage)

Part D

IV. Answer the following **compulsory** question, which carries 6 weightage :

18 The US dollar is selling in India at Rs. 65.60. if the interest rate for a 6 months borrowing in India is 12% per annum and the corresponding rate in USA is 6%.

 (a) Do you expect that US dollar will be at a premium or at discount in the Indian Forex market ?

 (b) What will be the expected 6 months' forward rate for US dollar in India ?

 (c) Explain in detail how the exchange rate mechanism is beneficial for a trader ?

$(1 \times 6 = \mathbf{6}$ weightage)