2316 **190**

Class – B.Com (R) Sem. VI
Subject – Foreign Exchange Management
Paper – Group-II, BCP-621

Time Allowed : 3 Hours **Maximum Marks : 50**

SECTION-A

1. **Attempt any 10 out of 12 questions. Each question carries 1 mark.**
   (a) Future V/s Forward
   (b) Translation v/s Transaction exposure
   (c) Law of one price
   (d) Short position V/s Long position
   (e) Define cross rate.
   (f) Difference between systematic risk and unsystematic risk.
   (g) Marking to Market
   (h) LIBOR
   (i) Interest Rate Collar
   (j) Characteristics of Swaps
   (k) Interest rate swaps V/s Currency swap
   (l) Explain At the money, In the money and out of the money option contract.

SECTION-B

Attempt any 2 out of 4. Each question carries 10 marks.

2. Define currency forecasting. Discuss the techniques of currency forecasting.

3. Discuss main theories to explain exchange rat behaviour.
4. What are the various crises faced and financial secto adjustments that have been made for then?
5. Discuss the uses of futures in foreign exchang market.

SECTION-C

Attempt any 2 out of 4. Each question carries 1 marks.

6. What do you understand by the term 'Swaps'. Explai types of swaps and its uses.
7. Define risk and exposure. What strategies are used t hedge foreign currency risk and exposure?
8. Define Political risk. How can political risk b measured and managed?
9. Discuss in detail the various techniques of measurin and managing interest rate risk?

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