

Roll No. ....

**12050**

**MBA 2 Year 3rd Semester (CBCS)  
Examination – May, 2019**

**FOREIGN EXCHANGE MGT.**

Paper : 17IMG23GI1

*Time : Three Hours ] [ Maximum Marks : 80*

*Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.*

**Note :** Section – A is *compulsory*. Attempt *four* questions from Section – B (*one* question from each Unit).

**SECTION – A**

1. Write short notes on the following :

- (a) The balance of payments framework.
- (b) Real exchange rates.
- (c) Effect of depreciation of trade balance.
- (d) Bid-ask spreads.
- (e) Arbitrage operations.

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- (f) Credit risk of swaps.
- (g) Euro currency market.
- (h) Over-the-counter-options.

**SECTION – B**

**UNIT – I**

- 2. Discuss the determination of rate of exchange and also explain exchange rate system.
- 3. Explain the importance of purchasing power parity approaches. <https://www.haryanapapers.com>

**UNIT – II**

- 4. Write short notes on :
  - (a) J-Curve effect
  - (b) Overshooting exchange rates.
- 5. Explain the Dornbuchs Sticky-price theory of exchange rate volatility.

**UNIT – III**

- 6. Explain the International Fisher effect in foreign exchange management.

12050- (P-3)(Q-9)(19) ( 2 )

7. Discuss the various methods of quoting exchange rates.

**UNIT – IV**

8. What are the basic techniques of exposure management ?
9. Write a detail note on Foreign Exchange Regulation in India.

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