

	Sanjay Ghodawat University, Kolhapur		2018-19
	Established as State Private University under Govt. of Maharashtra. Act No XL, 2017		
Year and Program 2019 SYMBA	School of Commerce and Management	Department:- Management	
Course Code:- MMC IB612	Course Title:- Forex Management and Currency Derivatives	Semester – IV (Even)	
Day and Date <i>Tuesday</i> 28/05/2019	End Semester Examination	Time: 3 hrs, Max Marks: 100	

2.30 - 5.30 pm.

- Instructions:
- 1) All Questions are compulsory.
 - 2) All questions carry equal marks.

	Marks	COs	Blooms Level
Q.1 Answer/Solve the following			
a) The following quotes are given. Convert the following rates into outright rates and indicate corresponding spreads:-	10	CO1	L2

	Spot	1-month	3-months	6-months
Rs./GBP	77.5680/83	30/23	45/35	25/29
Rs./US\$	47.5421/31	220/260	260/200	280/424

- | | | | |
|--|----|-----|----|
| b) Compare the Fixed, Free Floating and Managed Float exchange rate systems. | 10 | CO2 | L2 |
| OR | | | |
| b) Describe Bretton woods System corresponding to Exchange Rate system. | 10 | CO2 | L2 |

Q.2 Answer/Solve the following			
a) Illustrate different factors that determine forward margins.	10	CO4	L4
b) Compute Arbitrage gain possibilities from the following data:-	10	CO3	L3

Spot Rate-Rs.45.2345/US \$

6 Month forward Rate-Rs.46.1234/US\$

Interest Rates-In India -6% p.a.

In US-4% p.a.

OR

- | | | | |
|--|----|-----|----|
| b) Interpret how forward exchange contracts with reference to foreign currency are done. | 10 | CO4 | L3 |
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- Q.3 Answer the following
- | | | | | |
|----|--|----|-----|----|
| a) | Analyze principal types of buying and selling rates. | 10 | CO5 | L4 |
| OR | | | | |
| a) | Compare and contrast between Future and Forward Markets. | 10 | CO5 | L4 |
- Q.4 Answer the following
- | | | | | |
|----|--|----|-----|----|
| a) | Tell how exchange risk management is done by banks with respect to foreign currency. | 10 | CO5 | L5 |
| b) | Write various techniques of forecasting exchange rate. | 10 | CO6 | L3 |
| c) | Illustrate different forms of exchange control. | 10 | CO6 | L3 |
| OR | | | | |
| c) | Interpret the terms 1) Pegging of Currency 2) Crawling peg | 10 | CO6 | L3 |
- Q.5 Answer the following
- | | | | | |
|----|--|----|-----|----|
| a) | “Currency derivatives play significant role in foreign exchange exposure”. Justify | 10 | CO5 | L6 |
| b) | Interpret Option contract. Give various terminology used in option contracts. | 10 | CO6 | L3 |

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