

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

2.30 - 5.30 p.m.

- 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 | | | | | | | | | | | | | | | |
| | <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Spot</th> <th>1-month</th> <th>3-months</th> <th>6-months</th> </tr> </thead> <tbody> <tr> <td>Rs./GBP</td> <td>77.5680/83</td> <td>30/23</td> <td>45/35</td> <td>25/29</td> </tr> <tr> <td>Rs./US\$</td> <td>47.5421/31</td> <td>220/260</td> <td>260/200</td> <td>280/424</td> </tr> </tbody> </table> | | 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 | | | |
| | 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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