

S.No. 1455

P 13 IB 19

(For candidates admitted from 2013–2014 onwards)

M.I.B. DEGREE EXAMINATION, NOVEMBER 2022.

International Business

FOREIGN EXCHANGE MANAGEMENT

Time : Three hours

Maximum : 75 marks

PART A — (10 × 2 = 20)

Answer ALL the questions.

1. Write short notes on bretton woods system.
2. Define liquidity.
3. Who are authorized dealers ?
4. What are risks associated with Foreign Exchange?
5. What is arbitraging?
6. What is a forward contract?
7. What are the factors that determine exchange rates?
8. What is BOP?

9. What is LIBOR?

10. What is devaluation?

PART B — (5 × 5 = 25)

Answer ALL the questions, choosing either (a) or (b).

11. (a) Explain the concept and significance of Foreign Exchange.

Or

(b) Write short note on the convertibility of currencies.

12. (a) What are the external techniques of exposure management?

Or

(b) Explain the role of Multinational Banking in Foreign exchange Management.

13. (a) Define and briefly explain the features of Forward exchange contract.

Or

(b) Explain the internal strategies of transaction exposure risk.

14. (a) Write short note on short run demand and supply theory.

Or

(b) What is exposure setting and offsetting? Explain.

15. (a) What are Interbank deals?

Or

(b) What are the advantages and consequences of devaluation?

PART C — (3 × 10 = 30)

Answer any THREE questions.

16. Explain the importance of foreign exchange Management. Bring out the advantages and disadvantages caused by forex management.

17. How the risks associated with the foreign exchange management can be handled. Explain about the external and internal techniques of exposure management.

18. Explain the activities of foreign exchange markets.

19. Explain interest rate parity theory with suitable examples.

20. Explain the problems faced by India because of debt servicing? Bring out the solutions.