

C 5405–B

B.B A. (Three Year) DEGREE EXAMINATION, OCTOBER/NOVEMBER 2017.

End Semester Examination

Fifth Semester

(Regular / Supplementary)

Paper V : FOREIGN EXCHANGE MANAGEMENT

Time : 3 Hours

Max. Marks : 70

PART — A

Answer any FIVE of the following questions. **(5 × 4 = 20 Marks)**

1. Relationship between forex management and financial.
2. Dual currency.
3. How to make foreign payments?
4. Forward and cross exchange rates.
5. Bills of exchange.
6. Cost associated with international payments.
7. Integration of markets.
8. Euro deposits.

PART — B

Answer ALL the following questions. **(5 × 10 = 50 Marks)**

UNIT I

9. (a) Explain the nature and scope of foreign exchange management.

Or

- (b) List out the objectives, significance and scope of forex management.

Turn Over

UNIT II

10. (a) In What way international capital and money markets are useful in forex management?

Or

- (b) Write a brief note on GDRs, DRs and Euro Bonds.

UNIT III

11. (a) What do you mean foreign exchange market? Also state its main functions.

Or

- (b) What is arbitrage? State the role of arbitrage in foreign exchange market.

UNIT IV

12. (a) Explain the concept of forex rate? List out its determinants.

Or

- (b) Enumerate the relationship and inter-relationship between forex trading and financing of international trade.

UNIT V

13. (a) Attempt the following:

- (i) Offshore banking
- (ii) Letter of credit.

Or

- (b) What is Hedging? Explain forex Risk Hedging Techniques briefly.
