

Roll No.....

MMS/D-14
FOREIGN EXCHANGE MANAGEMENT
Paper—FM-302

13577

Time Allowed : 3 Hours]

[Maximum Marks : 70

Note : Attempt any eight questions from Part A of 15 marks each and three questions of 10 marks each from Part B.

PART -A

1. Explain in brief the structure of International monetary system.
2. Distinguish between Direct and Indirect quotation in Foreign Exchange market with examples.
3. Explain the Mechanism of determining of forward rate along with its trading mechanism.
4. Explain the terms free float, managed float and snake- in -the -tunnel.
5. Explain the Mark -to -Market in foreign currency futures trading with suitable examples.
6. Explain the determination of valuation of swap contracts in foreign currency with imaginary data.
7. Distinguish between Foreign exchange risk and Exposure. Explain the Magnitude of exposure.
8. Explain the technique of measurement of economic exposure with examples.
9. Write a note on LERMS.
10. Explain recent guidelines in brief, of RBI regarding Foreign Exchange Management.

PART -B

11. Distinguish between Current account convertibility and Capital account convertibility. What are the recent developments in this respect in India? Explain with suitable examples.
12. Critically examine the various exchange rate regimes along with their merits and demerits.
13. Explain the features and types of currency option contracts. Also explain its trading mechanism with suitable examples.
14. Explain the term Foreign Exchange Transaction exposure. How will you measure and manage it? Explain.
15. Write note on tax treatment of Foreign Exchange gains and losses in context to India.