

**MASTER OF BUSINESS ADMINISTRATION IN
FINANCIAL MARKETS
(MBAFM)**

Term-End Examination

June, 2014

00404

MCT-076 : FOREX MARKETS

Time : 3 hours

Maximum Marks : 100

- Note :** (i) Answer *any five* questions.
(ii) Each question carries **20** marks.
(iii) Use of calculators *allowed*.

1. What are the various exchange rate arrangements in the world ? Discuss the merits and demerits of each of these arrangements. **20**

2. Explain the following concepts : **5x4=20**
 - (a) Spot Rates
 - (b) Forward Rates
 - (c) Nostro a/cs
 - (d) Vostro a/cs

3. (a) What are the components of Balance of Payments ? Explain them. **10**
(b) What is meant by Convertibility of rupee on Capital account ? **10**

4. (a) What is meant by Customer Relationship Management ? **10**
(b) What are the different skills required for building customer relationships ? **10**

5. What are Currency Futures ? Describe their features. 20
 6. Do you think monetary policy of central bank can affect forex markets ? Give reasons. 20
 7. What are the Parity Theorems applicable to forex markets ? Bring out their limitations. 20
 8. What is meant by exchange positions ? How dealers maintain exchange positions ? Explain with numerical examples. 20
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