

Sr.No.10253

Exam.Code: 110106

Subject Code : 2621

**Bachelor of Vocation (Banking & Financial Services) - 6th Semester
(2720)**

Paper: BVC 604

International Financial Management

Time Allowed: 2 hrs.

Max. Marks: 50

Note: Attempt any four questions. All questions are of equal marks.

1. *Attempt all parts upto five lines each in length*

- i. Rates of the rupee and euro in the International market are US \$0.0209 and US \$1.0768, respectively. What direct quotes of US dollar and euro will be provided by a forex dealer in India?
 - ii. Indirect quotation
 - iii. Arbitrage
 - iv. Foreign Exchange Risk
 - v. Current account
 - vi. Market risk
 - vii. Currency futures
 - viii. LIBOR rate
 - ix. Forward rate
 - x. Inter-bank market
2. Describe the major benefits occurring due to internationalization of financial system.

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3. Explain the mechanism of Mint Parity theory and Purchasing power parity theory related to foreign exchange rate determination.
4. Describe the role of RBI in foreign exchange determination.
5. What do you understand by Disequilibrium in Balance of Payments? Highlight the types of disequilibrium. Discuss the measures to correct Disequilibrium in Balance of Payments.
6. How does country risk differ from sovereign risk? In what ways might country risk be influenced by a country's political and economic associations and its geography?
7. Explain the different types of exchange-rate risk exposure.
8. Discuss the various methods for hedging the foreign exchange risk and exposure.
