



Seat No. : _____

XY-130

Five Years M.B.A. Integrated (K.S.)

5th M.B.A.

April-2013

Seminar on Contemporary Issues in Financial Management (Finance)

Time : 3 Hours]

[Max. Marks : 70

1. (a) Explain the structure of foreign exchange market including various participants of the market. **6**
- (b) What is a cross rate ? Explain giving example. **4**
- (c) Following rates are available on 15-3-2012 : **4**
- USD/INR = 52.85/53.25
- GBP/USD = 1.25/27
- Find out : (1) INR/USD Spot
- (2) GBP/INR Spot
- (3) GBP/INR forward rate for 3 months if swap points are 225/275
- (4) Forward premium/discount in % for GBP/INR

2. (a) Consider the following data : **10**

Particulars	Company – A	Company – B
Required funds	₹ 10 crore	₹ 10 crore
Duration	5 years	5 years
Desired mode of interest	Fixed rate	Floating rate
Cost of fixed rate funding	13%	10%
Cost of floating rate funding	6-months LIBOR+75 bp	6-months LIBOR

Show how both the companies can save on funding cost by entering into an interest rate swap.

OR

Explain major types of Swap structures. **10**

- (b) Write a note on cancellation of Forward contract. **4**

3. Answer the following questions : (any **two**) **14**
- (1) Explain with example forward rate agreements.
 - (2) Write a note on FEMA – 1999.
 - (3) Explain provisions relating to export of goods and services.
4. (a) What is meant by Money market ? Explain instruments of Money market. **7**
- (b) Explain the functions of stock exchange. **7**
- OR**
- (a) Explain various instruments for raising the funds from the foreign countries. **7**
- (b) Write a note on emerging financial services. **7**
5. Write short notes on : **14**
- (1) SEBI – functions and roles.
 - (2) SENSEX
 - (3) On-line trading
 - (4) OTCEI
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