



UNIVERSITY OF PETROLEUM & ENERGY STUDIES
Centre: Dehradun

Examination	: End Semester Examination Dec 2018	Semester: III Semester
Programme & Branch	: BBA FT	Duration: 3 Hours
Course Code	: BBAFT 102	Max. Marks: 100
Course Title	: Managing Trade and Risks in International Business	

Section A

Answer all the questions

10 X 4 = 40 Marks

1. Brief interest rate risk. [CO1]
2. Explain the drivers of international capital market. [CO3]
3. Explain direct & indirect quotation of exchange rate and the calculation of cross rate with example. [CO2,3]
4. What are the kinds of marine policies? [CO2,4]
5. What is BOP crisis? What are the components of balance of payments? [CO2]
6. How do you manage liquidity risks? [CO1]
7. What is SDR (Special Drawing Rights)? What is the use of SDR reserve? [CO2]
8. Analyze the political spectrum of various forms of political ideologies. [CO4]
9. What are the major disparities in national laws affecting International Business? [CO2,4]
10. How MNCs use forward contracts? [CO2]

Section B

Answer all the questions

2 X 15 = 30 Marks

1. What are the risks involved in international trade through various international methods of payment? Brief their advantages and disadvantages. [CO2]
2. Depositors each deposit \$1000 at 10% interest. They can choose to withdraw their funds before collecting interest or keep their funds with the bank. Assume (i) all other depositors keep their funds in the bank and the bank survives and (ii) all other depositors withdraw funds and the bank must liquidate. Explain pay-offs for each decision under the two possible situations with the help of game theory. [CO3]

Section C

Answer the following question

1 X 30 = 30 Marks

1. What is currency derivative? How MNCs use forward contracts? How do you compute the forward rate premiums or discounts? How do you hedge the exposure of exchange rate risk by using forward and futures? Compare the forward and futures markets. [CO2,3]



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Section A

Answer all the questions

10 X 4 = 40 Marks

1. What are the factors determining exchange rates? [CO2]
2. What are the marine losses? [CO1,2]
3. How do you measure the interest rate risk using GAP method? [CO3]
4. How legal environment of the countries affect international business? [CO2,4]
5. Brief Eurocurrency market. [CO3]
6. Explain order deals of forex transaction. [CO1,3]
7. What is market risk? How do you manage market risks? [CO1,4]
8. What are the principles of insurance? [CO2]
9. Brief currency swap. [CO3]
10. What is balance of payment risk? Explain the components of balance of payments. [CO2,4]

Section B

Answer all the questions

2 X 15 = 30 Marks

1. What are legal risks of international business? Discuss the resolutions of disputes. [CO2,4]
3. What are the risks involved in international trade through various international methods of payment? Brief their advantages and disadvantages. [CO2,4]

Section C

Answer the following question

1 X 30= 30 Marks

1. What is currency derivative? How MNCs use forward contracts? How do you compute the forward rate premiums or discounts? How do you hedge the exposure of exchange rate risk by using forward and futures? Compare the forward and futures markets. [CO2,3]