AJEENKYA D Y PATIL UNIVERSITY

End Term Examinations (December 2018)

School : School of Management **Program: BBA FS**

Course: International Finance **Course Code: MGT308**

Semester: V **Max Marks: 30** **Duration (mins): 60**

Note : 1. Figures to the right indicates full marks.

2. Attempt any three questions

Q 1. Explain the Balance of Payment and its structure (10)

Q 2. Distinguish between Direct Quotation and Indirect Quotation (10)

Q 3. The Following Quotes are provided by three different traders : (10)

Trader A : 1.5183-93 USD per GBP
Trader B : 6.4825-25 SEK per USD
Trader C : 9.8300-00 SEK per GBP

Establish if opportunity for arbitrage exists and if yes, calculate the profit on capital USD 1 million.

Q 4. Consider the following Quotes: (10)

Spot (Euro/Pound) = 1.6543 / 1.6557
Spot (Pound/ NZ$) = 0.2786 / 0.2800

i) Calculate the % spread on Euro / Pound Rate.
ii) Calculate the % spread on Pound/ NZ$ Rate.
iii) Calculate the Cross Rate of both Quotes

Q 5. Short Notes (any two) (10)

a) PPP b) FDI

c) MNC d) Currency Derivative