

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
Online End Semester Examination, Dec 2020

Course: International Finance & Risk Management

Course Code: CLNL2026

Programme: BBA.LLB (B1&B2)/B.Com.LLB

Time: 03 hrs.

Semester: III

Max. Marks: 100

SECTION A

1. Each Question will carry 5 Marks

2. Instruction: Answer the following

S. No.		Marks	CO
1	Distinguish between Spot and Forward rates of forex markets, with an example.	5	CO1
2	Mention key distinguishing aspects of domestic trade and international trade.	5	CO1
3	In India, prices changed from Rs 4500 to Rs 5500 over a period of 3 years for the same basket of goods whereas they changed from 100 \$ to 110 \$ over the same period in USA. What was the initial Exchange Rate (S_0)? What is the expected exchange rate of Rupee wrt USD after 3 years?	5	CO1
4.	Define the direct quote and indirect quote forex rates with two examples each.	5	CO1
5	What are the tools to hedge against the foreign exchange risks?	5	CO2
6	How letter of credit helps in international trade, explain with example.	5	CO2
	SECTION B		
	1. Each question will carry 10 marks		
	2. Instruction: Write short / brief notes		
7	Foreign Direct Investment helps in economic, social and industrial development of a country. Elaborate the statement with help of any one theory of FDI.	10	CO2
8	Explain the transaction, translation and economic risk exposures. How does this risk exposures effect the international trade?	10	CO3

9	IMF, World Bank & its subsidiaries and many other international financial institutions have contributed substantially to world economic, industrial and social growth. Elaborate.	10	CO1
10	Analyze the importance of floating exchange rate over fixed exchange rate, in light of Breton Woods's agreement and how its downfall transformed the exchange rate regime across the globe.	10	CO2
11	Explain the concept of Balance of Payments (BOP) and discuss the different components of BOP.	10	CO3
	Section C 1. Each Question carries 20 Marks. 2. Instruction: Write long answer.		
12.	What is the Big Mac index? Explain the Purchasing Power parity theory of exchange rate in reference to Big Mac Index and theory of one price.	5+15	CO4