

Bharati Vidyapeeth
(Deemed to be University), Pune
School of Distance Education

Assignment No.		Name of the Assignment Setter:	Anmol Soi		
Course code	320	Class:	MBA	Semester:	3rd

Subject:	Currency Derivatives and Risk Management (320)
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Q.1) Attempt ANY ONE of the Following (1000 Words) (10)

a) Define Risk. What are various types of Risk and how they are managed especially through the process of Hedging?

b) Stable currency rates of a nation is the yard stick to measure a nation's economic strength. Justify it and mention factors for currency rate stabilization.

Q.2) Attempt ANY TWO of the Following (800 Words) (12)

a) How do you manage currency risk through use of derivatives?

b) Explain managing risk of currency through rollover, futures, options, and extension of currency purchase/orders and bookings in Forex Market.

c) What are different approaches to set exchange rates through arithmetic, delta, gamma and hedging theories?

d) What are various international factors which stimulate currency fluctuations both natural and man-made?

Q.3) Write Short Notes on (ANY TWO) (08)

a) BOP and currency rates

b) C.A.D

c) Trade blocks and currency stability

d) Currency insurance as a risk management tool.

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