

DSC-145

M.B.A. (FT) IVth Semester (New/Ex.) Examination, 2020

Financial Risk Management

Paper - FSB-4

[Maximum Marks : 80

Note :- All questions from each section carry equal marks. All questions are compulsory and answer limit are approximately 250 words. Start the answer of each section from new page. Maximum limit of pages of answer booklet are approximately 16 pages. Answer should be written by the student in his/her own handwriting mandatory. The first page of answersheet should be download by the student from university website www.bubhopal.ac.in is mandatory.

1. What is Risk? How does an organization measure and evaluate the risk it faces, and what tools does it have to address these risk ?
2. What is the difference between forward contract and options ? How does options help in hedging Risk ?
3. What is a currency swap? How does currency swap reduces exposure to Risk ? Give an example.
4. What is Foreign Exchange Market ? Who are the participants in a foreign exchange market ? What are their Motivation ?
5. What is Derivatives ? Why do companies hedge risk using Derivatives ?