

[Time: 2½ Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B: 1. All questions are compulsory.
2. All questions carry equal marks.

Q1 Fill in the blanks (Any 8)**8**

- iis fixed maturity ranging from 7 days to 1 year.
(CP ,CD , LAP)
- ii Settlement risk is a part of
(market risk , credit risk , liquidity risk)
- iii When forward rate is less than spot rate , then the exchange rate is said to be at
(premium , discount , stable)
- ivis driven trading system for government securities
(NDS -OM , CBLO , FIMMDA)
- vis a clearing platform
(NDS , CCIL , CLS)
- vi International remittances include
(forwards , foreign currencies , merchant transactions)
- viirisk relating to the regulatory aspects of treasury management (legal , market , operational)
- viiiis a short term monetary instrument issued in the form of promissory note by the large corporates for short term borrowings.
(commercial paper , T bill , bills of exchange)
- ixcash forecast cover a rolling 12-18 months.
(Short term , Medium term , Long term)
- xaccounts measures the cross border flow of money
(current , capital , financial)

B True or False (Any 7)**7**

- i ALM is used for managing assets
- ii Capital market is short term market
- iii Banks are main participants of national or domestic treasury
- iv Treasury management cannot be considered as a sub function of the financial management.
- v Integrated treasury is holistic approach
- vi Counter party risk is a part of credit risk
- vii The interbank market is segment offorex
- viii Forward markets deals with future delivery
- ix Duration method is used to measure operations risk
- x The mainfunction of treasury management to maintain the profitability of business

- Q2
- a Explain the classification of Treasury Management 8
 - b Explain the importance of liquidity management in treasury 7
- OR**
- c Explain the various types of Money Market Instruments 8
 - d What are money market instruments & who are the participants 7
- Q3
- a Explain the gap management 8
 - b Explain the factors affecting forex markets. 7
- OR**
- c Explain the clearing and settlement system 8
 - d Write a note on the functions of the Treasury department 7
- Q4
- a Explain the factors affecting the debt market 8
 - b From the following information calculate premium on EUR 7
and discount on Indian rupees?
Spot rate EUR 1 = Rs 72.15
6 months Forward rate EUR 1 = Rs 75.60
- OR**
- c Write a note on Management Reporting System 8
 - d From the following information calculate the arbitrageur gain 7
or loss :
Spot rate RS / CHF Rs 47.2650
180 days forward RS / CHF Rs 50.1710
Rate of interest in India 16% and France 9%
- Q5
- a What are effective steps involved in implementing and maintaining an effective risk management system? 8
 - b Explain the procedure of monitoring over dealing and deal recording. 7
- OR**
- Q5 Short Notes (Any 3) 15
- a Objectives of Treasury Management
 - b Role of CCIL
 - c Risks in Treasury Management
 - d Forward Markets
 - e Risk Management System in Banks