**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU -27**

Registration Number:

Date & Session9-12-2022 (9AM)

**MCOM – III SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2022**

**(Examination conducted in December 2022)**

**MCODEF9420 - RISK MANAGEMENT AND FOREX MANAGEMENT**

Time- 2 ½ hrs Max Marks-70

**This paper contains ONE printed page and FOUR parts**

**Section A**

I. Answer any **Ten**of the following  **(10 X 2 = 20 marks)**

1. Mention two types of error in evaluating credit risk.
2. What is enterprise risk management?
3. What is cross rate?
4. What is domestic currency?
5. Mention any five-currency pair.
6. What is economic exposure?
7. What is indirect quotes?
8. Mention any two-credit analysis approach.
9. What is bid?
10. Mention any two features of uncertainty
11. What is inflationary risk?
12. Mention any two importance of risk management.

**Section B**

II. Answer any **three** of the following **(3 x 5 = 15 marks)**

1. Briefly explain the process of risk management.
2. Differentiate between spot and futures market.
3. Briefly describe the factors affecting foreign exchange.
4. Write a short note on Interest rate Caps and Floors.
5. Briefly explain the Altman’s Z-Score model for public manufacturing companies.

**Section C**

III. Answer any **two** of the following **(2 x 10 = 20 marks)**

1. Discuss the credit analysis process.
2. Explain the qualitative and quantitative techniques to manage credit risk.
3. Explain any three theories of Exchange rate Determination.

**Section D**

IV **Answer the following (1 X 15 = 15 marks)**

1. In the past, managing risk was the realm of only insurance companies. However today, it has become an important concern to address across industries. Every business is exposed to various risk and they are expected to develop strategies to mitigate the expected and unexpected risk. This has created opportunities for risk management solutions companies in the present scenario to grow at a rapid rate and to come up with risk management solution. RSM being a leading risk management software company aims to provide innovative risk management services, solutions, and platforms to clients who are looking for better tools to manage global risks such as supplier risk, financial evaluations, and so on. You being part of the risk management team of RSM explain the following questions.
2. Explain the various risk that can affect your client if they are involved in banking business. (10 marks)
3. Explain how they can evaluate an individual before providing the credit. (5 marks)

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