

Trim-Sep-Dec 24		
Maximum Marks: 50	Examination: End Term Exam	Duration: 3 Hrs
Programme code: 01	Class: SY	Semester/Trimester: V
Programme: MBA (Finance)		Batch: 2023-25
College: K. J. Somaiya Institute of Management		Name of the department/Section/Center: Finance and Law
Course Code: 217P01C515	Name of the Course: Treasury Management	
Instructions: Q.1 is compulsory. Write answers for any THREE questions from Q. 2 to Q.5. Write a new answer on a fresh page. Write all sub questions of the main question together.		

Question No. 1 (a)	Explain the Front office Functions of a bank Treasury with specific reference to multiple revenue streams.	Max. Marks 7
Question No. 1 (b)	A Ltd has taken a 1Cr loan @ 8% p.a for 3 year from his Lender(L1) and B Ltd has taken 1 Cr loan at MIBOR+ 2% from his Lender(L2). They enter into interest rate swap wherein at end of each year A ltd will pay MIBOR+1% to B ltd and receive 9% fixed in return. Show all cash flows at the end of each of these 3 years and total cost of loan for each borrower if the MIBOR is 7, 8.5 and 9 percent respectively for these 3 years.	7
Question No. 2	Explain briefly the features/benefits to the Issuer and subscriber of both Commercial Paper as well as Certificate of deposit.	12
Question No. 3	Explain RBI's Open Market operations with specific reference to various tools used to control the money supply and manage liquidity.	12
Question No. 4 (a)	How does an importer manage the currency risk with specific reference to forward / Futures /Options strategies?	6
Question No. 4 (b)	An exporter requests the bank to cancel forward purchase agreement of USD 100000 on spot date. USD/INR spot is 84.4120/30. Margin for the transaction is 0.15%. What is the final rate to be applied to the customer transaction? Also if the original contract was booked at 85.523 how much customer has to pay/receive?	6
Question No. 5	Write short notes on any TWO of the following. (a) Issuing & Paying Agent for Commercial Paper (b) Letter of Credit (c) Asset Liability Management	12