

College Name: \_\_\_\_\_

Seat No: \_\_\_\_\_ Student's Name: \_\_\_\_\_

Copy No: \_\_\_\_\_

**KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION DECEMBER 2017; AFFILIATED COLLEGES  
TREASURY AND FUND MANAGEMENT; BA(BS)-672  
BBA – VIII**

**Date: January 16, 2018**

**Max Time: 3 Hrs**

**Max Marks: 60**

**INSTRUCTIONS:**

- 1. Attempt any 5 questions. Do not write anything on the question paper. EXCEPT the initials mentioned above.**
- 2. Mobile phones or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q1 a) Distinguish between capital market and money market and also give examples of financial instruments that are traded in each market.  
b) List and briefly explain five main functions of a treasurer.
- Q2 Clearly distinguish between a front office and Back office operation in treasury department, and give an example of each operation.
- Q3 a) What is the meaning of interest rate risk? Explain how an interest rate swap works and what is the impact of interest movements?  
b) One method used by a Treasurer to manage interest rate risk is a forward rate agreement (FRA). How does an FRA work?
- Q4 a) What is meant by the 'hedge for a currency exposure'?  
b) Identify and briefly explain the three major types of foreign exchange exposure.
- Q5 Explain in detail the regulation, supervision and compliance of treasury functions.
- Q6 Explain the key risk associate in treasury and how they are managed.
- Q7 Briefly explain the following terms:-  
1. Spot transaction  
2. Forward transaction  
3. Option  
4. Future contract  
5. 'E treasury'

**END OF EXAM PAPER**