**FIN 444 ASSIGNMENT 2 MzF**

*( this is a continuation of assignment 1. If you recall, assignment 1 required that you do research on the current, capital and financial accounts of Bangladesh etc. This continues from there and asks you to research the currency of Bangladesh. Please remember, ALL 3 assignments will eventually lead to your group project)*

**Consider the BDT. Research the exchange rates of the BDT against the USD for the last 5 years. Have there been significant fluctuations? Has the BDT remained stable? Plot the movement on a graph. Wheat factors do you think are responsible for the fluctuations or lack thereof of the BDT against the USD (hint: Government intervention).**

**Discuss the rate of inflation; the interest rates and the income levels for the last 5 years. How have they changed during this time period? Discuss the theories of IRP, PPP and IFE and decide whether they hold for the BDT against the USD. What level of impact do you think these factors have had on our currency?**

**Lastly, discuss the regulations that the government places of foreign currency transfers/remittances etc. Have these regulations become more strict over time? Have they become more friendly towards foreign investments? If you represented a US based MNC looking to invest in Bangladesh, how would these factors affect your investment decision (please continue from assignment 1 where you had already selected a potential sector for investment).**