



[Glossary]

Factors Affecting Exchange Rates Part - 4

Subject:	Business Economics
Course:	B. A. (Hons.), 6 th Semester, Undergraduate
Paper No. & Title:	Paper – 611 International Finance
Unit No. & Title:	Unit – 4 Factors Affecting Exchange Rates and Exposures
Lecture No. & Title:	Lecture – 4 Factors Affecting Exchange Rates Part-4

Glossary

- The holding period, i.e., the length of time over which the foreign exchange position is planned to be held. The typical holding period is 1 day.
- The confidence level at which the estimate is planned to be made. The usual confidence levels are 99 percent and 95 percent.
- The unit of currency to be used for the denomination of the VaR
- VaR: Value at Risk.