

## ***MANAGING TRANSACTION EXPOSURE***

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***Abstract:***

*In the period of crisis the volatility of foreign exchange is one of most important elements to be consider in the risk management strategy at corporate level .The paper will focus on the main types of foreign exchange exposure, the role of hedging in managing the currency risk and the measurement of transaction exposure. The risk management in practice is illustrated by a case study designed to capture and contrast the effects of different types of options for hedging the transaction exposure.*

***Keywords:*** *foreign exchange exposure, currency risk, hedging.*

***JEL codes::*** *G30, F31*