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T.Y.B.Com. Semester V (CBCS) Ordinance

EXAMINATION MAY-2023

Banking & Financial Services

Foreign Exchange, Foreign Trade and International Finance

[Time: 2 Hours]

[Max. Marks:80]

Instructions:

- 1) All Questions are compulsory, however Internal choice is available.
- 2) Answer sub-questions in question 1 and 2 in not more than 100 words each.
- 3) Answer questions from question 3 to 6 in not more than 400 words each.
- 4) Figures to the right indicate maximum marks to the question.

Q.1 Write short note on any 4 of the following: 4x4=16

- a) Distinguish between Fixed and Floating Exchange Rates.
- b) Purchasing Power Parity.
- c) Arbitrage with example.
- d) Different types of NRI Accounts.
- e) Asian Currency Market.
- f) Off-shore finance.

Q.2 Answer any 4 of the following: 4x4=16

- a) What are syndicated loans?
- b) What is Bill of lading? State different types of Bill of Lading.
- c) What are the features of Letter of Credit?
- d) What are the functions of Export Import Bank of India?
- e) Explain any 2 policies issued by Credit Guarantee Corporation.
- f) 1 Australian Dollar = US Dollar 0.5420

1 US Dollar = Yen 123.25

Calculate Cross rate for Australian dollars in Yen terms.

Q.3 X) What is Foreign Exchange Market? Describe the salient features of Foreign Exchange Market. 12

OR

Y) State and explain different types of Exchange Rate in International Trade. 12

Q.4 X) What is Pre Shipment Finance? Explain different types of Pre-shipment finance. 12

OR

Y) Explain in detail Euro Dollar Market and Petro Dollar Market. 12

Q.5 X) Explain different types of guarantees issued by ECGC. 12

OR

Y) Define letter of credit. Explain in detail different types of letter of credit. 12

Q.6 X) What is Exchange Rate? Explain different factors influencing Exchange Rate. 12

OR

Y) i) Discuss in detail different methods of Quotation. 06

ii) When Mumbai and New York spot rate is Rupees 42.50 – 42.70 and the forward margins are 5-7, 7-9, 9-11 (Paise) at premium. Calculate the forward rate for one month, two month and three month respectively. 06