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## T.Y.B.com Semester V (CBCS) Ordinance

EXAMINATION Oct/Nov 2019

## Banking and Financial Services 4 : Foreign Exchange - Foreign Trade and International Finance

[Duration : Two Hours]

[Total 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 word 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 questions.

**Q.1 Write short note on any 4 of the following: (4X4=16)**

- a) Components of Forex Market.
- b) Purchasing Power Parity.
- c) Floating Exchange Rate.
- d) Petro Dollar Market.
- e) Off-shore finance.
- f) Different types of NRI Accounts.

**Q.2 Answer any 4 of the following: (4X4=16)**

- a) What is Bill of lading? State different types of Bill of Lading.
- b) What are syndicated loans?
- c) Explain the functions of Export Import Bank of India.
- d) Explain any 4 guarantees issued by Export Credit Guarantee Corporation.
- e) What are the features of Letter of Credit?
- f) 1 Pound = US Dollar 1.4560  
1 US Dollar = Yen 123.25  
Calculate Cross Rate for Pounds in Yen terms.

**Q.3 X) Explain the following concepts with examples. (12)**

- a) Forward Rate
- b) Spot rate
- c) Speculation
- d) Swap

OR

**Y) What are the arguments in favour and against Floating Exchange Rate? (12)**

**Q.4 X) Explain the Euro-Currency Market and Asian Currency Market. (12)**

OR

**Y) What the Pre-Shipment Finance? Explain different types of Pre-Shipment Finance. (12)**

**Q.5 X) Explain in detail EXIM Bank's Lending policies to exporters. (12)**

OR

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

**Q.6 X) i) Discuss in detail different methods of quotation. (6)**  
ii) Distinguish between spot rate and forward rate with example. (6)

OR

**Y) What are the various factors affecting the Foreign Exchange Rate? (12)**