



B.Com. (Semester – VI) Examination, April 2017
BANKING AND FINANCIAL SERVICES (Major – 2)
Foreign Exchange, Foreign Trade and International Finance
(New Course)

Duration : 2 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 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.*

1. Answer any four of the following : (4×4=16)
- Write short note on Arbitrage with example.
 - Distinguish between Fixed and Floating Exchange Rates.
 - Explain different components of Foreign Exchange Market.
 - Explain the concept of Pre Shipment and Post Shipment Finance.
 - What is Asian Currency Market ?
 - Explain any four Benefits of Off Shore Finance.
2. Answer any four of the following : (4×4=16)
- What is Bill of Lading ? State different types of Bill of Lading.
 - State any four Export Promotion Measures taken by Government.
 - Explain any four Guarantee issued by ECGC for exporters.
 - Explain any four documents used in Foreign Trade.
 - Explain how to calculate Forward Rate with example.
 - If Mumbai quotes Indian Rupees at £ 1.9850 per Rs. 100 and London quotes New York at \$ 1.7850 per £ 1, what is the Cross rate for Rupees against U. S. dollars ?



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

OR

Y) Explain the following concepts with example :

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

(4x3=12)

4. X) What are NRI accounts ? Explain different types of NRI accounts with their features. 12

OR

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

5. X) Explain in detail EXIM Bank's Lending activities to exporters. 12

OR

Y) Define Documentary Letter of Credit. Explain the mechanism of letter of credit. 12

6. X) Define Exchange Rate. Discuss in brief different factors influencing Bank Rate of Exchange. 12

OR

Y) Answer the following :

I) What is Cross Rate ? Explain with examples. 4

II) Mumbai quotes New York \$1 = Rs. 30.4878 - 7692 while in New York T. T. on Mumbai is quoted \$ 3.235 - 3.245. How should a Mumbai exchange dealer operate so as to make profit ? What is his profit if he deals in \$ 100,000 ? Allow Rs. 50 for brokerage and other expenses. 8