



B.Com. (Semester – VI) Examination, April/May 2019
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 questions 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)

- 1) Components of Foreign Exchange market.
- 2) Arguments against Floating Exchange Rate.
- 3) Forward rate and spot rate.
- 4) Petro Dollar Market.
- 5) International Money and Capital Market.
- 6) Offshore Banking Center.

2. Answer **any four** of the following :

(4×4=16)

- a) Explain the concept of Arbitrage with the help of an example.
- b) Explain in brief any four Export Promotion Measures taken by Government.
- c) Explain any two guarantees issued by Export Credit Guarantee Corporation.
- d) What is Import Finance ?
- e) Explain the functions of Export Import Bank of India.
- f) If a Bank in India quotes its rates for US Dollars as under :

Rs. 100	Selling Rates		Buying Rates	
	TT	BC	TT	BC
	\$ 15.25	\$ 15.23	\$ 15.45	\$ 15.55

What amount in Rupees would the bank recover from its customers to remit \$ 60,000 to New York by air mail transfer ?



3. X) What are the arguments in favor of fixed and floating exchange rate ? **12**
 OR
 Y) State and explain the different types of exchange rate in international trade. **12**
4. X) Explain the Euro-Currency Market and Asian Currency Market. **12**
 OR
 Y) Explain in detail the different types of NRI Accounts with its features. **12**
5. X) Explain the various documents used in International trade. **12**
 OR
 Y) Explain the lending policies of Export Import Bank of India (EXIM). **12**
6. X) What are the various factors affecting the Foreign Exchange Rate ? **12**
 OR
 Y) i) Discuss in detail different methods of Quotation.
 ii) When Mumbai and New York spot rate is 41.50- 41.60 and the forward margins are 6-8, 8-10, 10-12 (Paise) at a premium. Calculate the forward rate for one month, two month and 3 month respectively. **(6x2=12)**

Buying Rates		Selling Rates		Rs 100
TT	BC	TT	BC	
\$ 18.45	\$ 18.66	\$ 18.25	\$ 18.23	