



B.Com. (Semester – VI) Examination, October/November 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 questions.*

1. Answer **any four** of the following : (4 × 4 = 16)
- a) Write short note on speculation.
 - b) Elaborate on spot and forward exchange rates.
 - c) Explain different participants of foreign exchange market.
 - d) Write a short note on different types of NRI accounts.
 - e) What is Euro currency market ?
 - f) Write a brief note on international Financial Centres in India.
2. Answer **any four** of the following : (4 × 4 = 16)
- 1) Elaborate in brief any four shipping documents.
 - 2) Explain in brief role of ECGC.
 - 3) Explain any four types of Letter of Credit.
 - 4) Write a short note on EXIM Bank.
 - 5) Highlight in brief role of interest rate in exchange rate.
 - 6) If a Bank in Kolkata acquires US Dollars in the London Market when the rates of exchanges quoted are Rs. 100 = \$ 6.5574 (selling rate) £ 1 = \$ 1.7203 (Selling rate). What will be the rate of exchange ?



3. X) Discuss how foreign exchange rates are determined in international market. 12

OR

- Y) What is foreign exchange ? Explain in detail various systems of exchange rate. 12

4. X) Discuss different types of finance facilities available from Commercial Banks to exporters in India. 12

OR

- Y) Explain the following concept : (6×2=12)

- a) Petro Dollar market
- b) Asian currency market.

5. X) Discuss in brief different export promotion incentives introduced by government of India. 12

OR

- Y) Explain in detail different financial guarantees offered by ECGC to exporters. 12

6. X) What is exchange rate ? Explain different factors determining exchange rate. 12

OR

- Y) Answer the followings :

- I) Discuss in detail various methods of quotation. 4
 - II) Assuming that the sterling dollar parity is £1 = US \$ 2.60 and Rupee – Sterling parity is £1 = Rs. 18.95, what would be the Rupee Dollar parity, if Britain decides to devalue the Pound Sterling in terms of the Dollar by 24% and India simultaneously decides to revalue the rupee in terms of Pound Sterling by 9 percent ? Express your answer in terms of Rupee equivalent of one US Dollar correct to the fourth decimal place. 8
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