

T.Y.B.Com Semester VI (Repeat) / One Time Opportunity  
EXAMINATION NOVEMBER 2019

**Banking and Financial Services Major 2 : Foreign Exchange, Foreign Trade and International Finance**

[Duration : Two 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 questions 3 to 6 in **not** more than **400** words each.
  - 4) Figures to the right indicate maximum marks to the question.

Q.1 Answer **Any Four** of the following: (4X4=16 Marks)

- 1) Short note on Exchange Dealers.
- 2) Arguments in favour of floating Exchange Rate.
- 3) Characteristics of foreign Exchange market.
- 4) Asian Currency Market.
- 5) International Financial Center.
- 6) Short note on NRO Account.

Q.2 Answer **Any Four** of the following: (4X4=16 Marks)

- a) Explain any four types of shipping documents used in International trade.
- b) Explain any two specific policies of Export Credit Guarantee Corporation (ECGC).
- c) Explain any four Export Promotion Measures taken by Government.
- d) What is packing Credit?
- e) Explain the role of Interest Rates in Foreign Exchange Market.
- f) Given the following information:  
Dollar/Rupee=71.76  
Euro /Dollar=1.14  
Calculate Rupee/Euro Rate.

Q.3 X) What is foreign Exchange Market? Which are the different Characteristics of Foreign exchange Market? (12 Marks)

**OR**

Y) State and explain different types of exchange rates in international Trade. (12 Marks)

Q.4 X) Explain in brief Euro-Dollar Market and Petro-Dollar Market. (12 Marks)

**OR**

Y) Explain the various types of post- Shipment Finance in International Trade. (12 Marks)

Q.5 X) Explain in detail the working of Letter of Credit in International trade. (12 Marks)

**OR**

Y) Explain in brief the lending facilities provided by Export Import Bank of India(EXIM) (12 Marks)

Q.6 X) Explain the different factors influencing the Exchange Rate. (12 Marks)

**OR**

Y) i) Explain the concept of Arbitrage with the help of an example.

ii) When a forward currency is at a discount that is Mumbai and New york spot rate is 50.46- 50.50 And forward margins are 10-8, 12-10 and 15-12. Calculate forward rate for one month, two month and three month respectively.

(6X2=12Marks)