

B.Com. (Semester – VI) Examination, April 2018
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. Write short note on **any four** of the following : **(4×4=16)**

- Floating Exchange Rate.
- Purchasing Power Parity Theory.
- Participants of Forex Market.
- Benefits of Off Shore Finance.
- Different types of NRI Accounts.
- International Capital Market.

2. Answer **any four** of the following : **(4×4=16)**

- Explain any four shipping documents required in International Trade.
- What is Import Finance ?
- Discuss any two promotional organisations for Export Promotion.
- What is Arbitrage ? Explain with example.
- If a Bank in India quote its rate for US Dollars as under

	Selling Rates		Buying Rates	
	TT	BC	TT	BC
Rs. 100 =	\$ 12.65	\$ 12.62	\$ 12.75	\$ 12.80

What amount in rupees would the bank recover from its customer to remit \$ 25,000 to New York by air mail transfer ?

- 6) If Rs. 100 = £ 5.3180 and if £ 1 = Euro 7.0185 then how many units of Euro will fetch Rs. is equal to 100 ?

P.T.O.



3. X) What is Foreign Exchange Market and explain different features of Foreign Exchange Market. 12

OR

Y) State and explain different types of Exchange Rate in International Trade. 12

4. X) What is Pre Shipment Finance ? Explain different types of Pre shipment Finance provided to exporters. 12

OR

Y) Elaborate in brief Petro Dollar Market and Asian Market. 12

5. X) Define letter of credit. Explain in detail different types of letter of credit. 12

OR

Y) Explain different types of guarantees issued by ECGC to Bank. 12

6. X) What is Exchange Rate ? Explain different factors influencing Exchange rate. 12

OR

Y) 1) Discuss in detail different methods of quotation. 6

2) Distinguish between spot rate and forward rate with example. 6

Buying Rates		Selling Rates	
TT	BC	TT	BC
\$ 12.75	\$ 12.80	\$ 12.65	\$ 12.62