



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