



B.Com. (Semester – VI) Examination, April 2016
BANKING AND FINANCIAL SERVICES (Major – II)
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)**

- a) State the components of Foreign Exchange Market.
- b) Write a brief note on Spot and Forward Exchange Rates.
- c) State four characteristics of Foreign Exchange Market.
- d) What is Euro Currency ?
- e) State any four benefits of Offshore Banking.
- f) Write a brief note on International Financial Centre in India.

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

- 1) State any four policies offered by ECGC.
- 2) What is Bill of Lading ?
- 3) Highlight four functions of EXIM Bank.
- 4) State any four types of letter of credit.
- 5) Write a brief note on Arbitrage.
- 6) If Mumbai quotes Indian Rupees at ₹1.9850 per Rs. 100 and London quotes New York at \$1.7850 per £1, what is the Cross rate for rupees against U.S. Dollar ?



3. A) Explain how Foreign Exchange Rates are determined. 12
OR
B) Describe different types of rates with examples. 12
4. A) Discuss in detail various Export Finance facilities provided by Commercial Banks to the exporter. 12
OR
B) Discuss on Asian Currency Market and Petro Dollar Market. 12
5. A) Give a brief description of the different Guarantees issued by ECGC to Commercial Banks. 12
OR
B) Define Documentary Letter of Credit. Explain the mechanism of a Letter of Credit. 12
6. A) What is Exchange Rate ? Discuss in brief the factors influencing Exchange Rate. 12
OR
B) Answer the following : (3×4=12)
1) Direct and Indirect Quotation.
2) Write a brief note on Cross Rate.
3) Current quotations Mumbai on New York are spot Rs. 29.85 – 30.12 per \$: Forward margin, 0.5 – 0.8, 0.8 – 0.15, 0.15 – 0.20 premium. How will Mumbai banker quote to customers his buying rate for 1 month, 2 months and 3 months delivery ?