

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao-Goa  
TY B.Com, Semester-V, Semester End Examination, January 2021  
Banking & Financial Services (DSE 4)  
Foreign Exchange, Foreign Trade and International Finance-COD 116

**Duration: 2hrs**

**Max Marks: 80**

**Instructions:**

- 1) Start each question on fresh page.
- 2) All questions are compulsory.
- 3) Figures to the right indicate maximum marks.
- 4) Answer sub-questions in Question no.1 and Question no. 2 each in not more than 100 words.
- 5) Answer Question no. 3 to Question no. 6 each in not more than 400 words.
- 6) Draw neat diagrams wherever necessary.

Q.1. Answer **ANY FOUR** of the following:

(4 x 4 = 16)

- a) Explain any two functions of Foreign Exchange Market.
- b) Write a brief note on the Euro Currency Market.
- c) Differentiate between Fixed and Flexible Exchange Rates. (Any four)
- d) Elaborate on any one Type of NRI account.
- e) Explain four Features of a Foreign Exchange Market.
- f) What are the different Types of Post-Shipment Finance?(Any six).

Q.2. Answer **ANY FOUR** of the following:

(4 x 4 = 16)

- a) Write a brief note on LIBOR and FIBOR.
- b) What are Syndicated Loans?
- c) Write a note on BRICS Bank.
- d) Explain any eight interpretations of Uniform Customs and Practice for Documentary Credits (UCPDC)
- e) Write a note on Exchange Risks.
- f) i) Calculate Cross Rate for Pound in terms of Rupee.  
If 1 USD = 0.75 GBP and if 1 USD = 73.89 INR  
ii) Calculate Cross Rate for Dhiram in terms of Rupee.  
If 1 EUR = 4.49 AED and if 1 EUR = 90.27 INR

Q.3.A) Describe all the components of Foreign Exchange Market.

(12)

**OR**

Q.3.B) Explain the Balance of Payment Theory of Exchange Rate Mechanism.

(12)

Q.4.A) Describe the Origin and Working of the Petro-Dollar Market. (12)

**OR**

Q.4.B) What are Remittance? Explain the Types and Benefits of Remittances. (12)

Q.5.A) What is a Letter of Credit. Explain the different Types of Letter of Credit. (12)

**OR**

Q.5.B) Elaborate on the Export Credit Guarantee Corporation of India Limited. Explain its Objectives and Role. (12)

Q.6.A) Explain the different Factors influencing the Exchange Rates. (12)

**OR**

Q.6.B-i) Describe the different Methods of Quotation with suitable examples. (12)  
B-ii) Explain the concept of Arbitrage Operations.

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