**M.E.S. COLLEGE OF ARTS & COMMERCE, ZUARINAGAR - GOA**

**B.Com (CBCS) Semester V End Special Examination, March 2022**

**DSE -4 Banking & Financial Services Major IV**

**Foreign Exchange, Foreign Trade and International Finance- UCOD116**

**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 question 3 to 6 in not more than 400 words each*
4. *Figure to the right indicate maximum marks to the questions*
5. *Paper Carries maximum 80 Marks*

**Duration: 2 Hours Max. Marks: 80**

**Q. 1) Answer any Four of the following (4 X 4 = 16)**

1. Write a short note on Forward Rate Agreement
2. State the features of Swap
3. State the limitations of Gustav’s theory
4. Differentiate between NRE and NRO account
5. Write a short note on Asian Currency Market
6. Write a short note on Offshore Finance

**Q. 2) Answer any Four of the following (4 X 4 = 16)**

1. State the parties to a Letter of Credit
2. Write a short note on Export Credit Guarantee Corporation
3. Write a short note on MIBOR
4. What is a cover rate?
5. Write a short note on Spread
6. From the following information calculate 4 months & 8 months forward rates

Spot: £/$= 0.8022/ 0.6600

A) 4 months forwards swap= 15/20

B) 8 months forwards swaps= 25/30

**Q.3) A.** Explain the Exchange rate system in India **(12)**

**OR**

B. Explain the Exchange Dealers **(12)**

**Q. 4)** A. Explain the Indian and Foreign Currency Market  **(12)**

**OR**

B. Explain the Petro Dollar Market. **(12)**

**Q.5)** A. Explain Letter of Credit **(12)**

**OR**

B. Explain the Functions of Export Import Bank?  **(12)**

**Q.6)** A. i) Explain the types of quotations **(6 X 2 =12)**

ii) Explain the process of calculation of Arbitrage

**OR**

B. Explain the process of calculation of Forward Rate. **(12)**