

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**B.Com. DEGREE EXAMINATION – HONOURS****THIRD SEMESTER – NOVEMBER 2022****UBH 3505 – FOREX MANAGEMENT**

Date: 25-11-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

SECTION A**Answer ALL the Questions in one or two sentences****1. Define the following****5 X 1 = 5 marks**

i.	FEMA	K1	CO1
ii.	Interest Rate Risk	K1	CO1
iii.	Bill Buying Rate	K1	CO1
iv.	Advising Bank	K1	CO1
v.	Packing credit	K1	CO1

2. Fill in the blanks**5X1=5 marks**

i.	_____ Account is maintained by a Bank in India with a bank abroad.	K1	CO1
ii.	The net potential gain or loss likely to arise from exchange rate change is _____	K1	CO1
iii.	The foreign exchange dealing of a bank with its customer is known as _____	K1	CO1
iv.	A _____ bill will be paid after a specific period of 30 or 60 days.	K1	CO1
v.	The Standard policy of ECGC protects loss to the extent of _____	K1	CO1

3. True or False**5X1=5 marks**

i.	If the exchange of currencies takes place at a future date subsequent to the spot date, is a Forward transaction.	K2	CO1
ii.	The interest rate risk is divided into income risk and expense risk.	K2	CO1
iii.	An irrevocable letter of credit can be amended by the parties.	K2	CO1
iv.	D/A is Documents against Acceptance.	K2	CO1
v.	CIP refers to Carriage Insurance Paid to _____	K2	CO1

4. Match the following**5X1=5 marks**

i.	Loro Account	Small Exporters Policy	K2	CO1
ii.	Inflation	Their Account with you	K2	CO1
iii.	TT Selling Rates	International Commercial terms	K2	CO1
iv.	Incoterms	Increase in Prices	K2	CO1
v.	INR 5 crores	Add Exchange Margins.	K2	CO1

SECTION B

Answer any TWO of the following (2 x 10 = 20 marks)

5.	Prepare the meaning and different types of Derivatives.	K3	CO2
6.	Determine the provisions of FEMA Act, 1999.	K3	CO2
7.	Develop the role of Commercial banks in Financial Exports.	K3	CO2
8.	Instruct on managing the interest rate risk.	K3	CO2

SECTION C

Answer any TWO of the following (2 x 10 = 20 marks)

9.	Differentiate TT Buying rate from TT Selling rate with examples.	K4	CO3
10.	Breakdown briefly about ECGC	K4	CO3
11.	Prioritize the strategies to manage the Economic exposure in exchange risk	K4	C3
12.	Outline short notes on these 'Incoterms' a) EXW c) CIP e) FOB g) CIF b) FCA d) DDP f) FAS	K4	CO3

SECTION D

Answer any One of the following (1 x 20 = 20 marks)

13.	Produce the different types of Bills of Exchange.	K5	CO4
14.	Criticize the management of transaction exposure?	K5	CO4

SECTION E

Answer any One of the following (1 x 20 = 20 marks)

15.	Support the different kinds of Letter of Credit.	K6	CO5
16.	Assess Project Exports and summarize the ideas of financing project exports and export of services.	K6	CO5

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