



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FIFTH SEMESTER – NOVEMBER 2016

CO 5411 - PRINCIPLES OF FOREX MANAGEMENT

Date: 11-11-2016
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

PART A

ANSWER ALL THE QUESTIONS:

10X2 = 20 Marks

1. Define the term “Foreign Exchange”.
2. Distinguish between FEMA and FERA.
3. What do you mean by Balance of Payment Accounting?
4. State any four Acts, relating to Foreign Exchange.
5. Draw a diagram indicating the different levels of participants in foreign exchange market.
6. Comment on “FDI”.
7. What is rate of exchange?
8. Mention the three methods of Exchange Control.
9. Why customer service strategy is required for marketing foreign exchange?
10. When ‘economic exposure’ will arise in foreign exchange?

PART B

ANSWER ANY FOUR QUESTIONS:

4X10 = 40 Marks

11. Explain the components of Balance of Payments.
12. Narrate any five methods of payments in international trade.
13. Describe the functions of Foreign Exchange department of RBI?
14. Depict the exchange control system in India.
15. Justify the effects of exchange rates in foreign trade.
16. Highlight the role of commercial banks in foreign exchange.
17. Briefly explain the features of futures contract.

PART C

ANSWER ANY TWO QUESTIONS:

2X20 = 40 Marks

18. Make a critical analysis on the risks involved in international trade.
19. Enumerate the effects of foreign investments on exchange rate.
20. Examine the factors influencing the exchange rates.
21. Describe the different risk management techniques for exchange risk management.
