

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
MBA Winter 2019 - 20 Examination

Semester: 3
Subject Code: 06204203
Subject Name: Trade Finance and Forex

Date: 4/12/2019
Time: 10:30am to 1:00pm
Total Marks: 60

Instructions

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.

A). Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)

1. Abbreviation for SDR stands for

a) Specific Drawing Rights	c) Special Depository Rules
b) Special Drawing Rights	d) None of the Above
2. MIGA stands for

a) Multilateral Investment Guarantee Agency	c) Mutual Interest Guaranteeing Agencies
b) Multilateral Institution and Government Agency	d) None of the Above
3. Activities of Asian Development Bank involves

a) Project Financing	c) Both (a) and (b)
b) Guaranteeing Loans	d) None of the Above
4. A letter of credit is opened on behalf of _____

a) Exporter	c) Any party wishing to make payment
b) Importer	d) None of the Above
5. Packing credit is

a) An advance mode for packing of goods for export	c) A priority sector advance
b) Pre-shipment finance for Export	d) None of the Above

B). Define the following. (Each of 1 mark) (05)

1. Quota
2. IBRD
3. Spot rate
4. FOB
5. Letter of Credit

C). Direct questions. (Each of 1 mark) (05)

1. What is role of arbitrageurs?
2. What is European quotation?
3. What is Confirmed LC?
4. What is role of EXIM bank for promotion of international trade?
5. What is Irrevocable letter of Credit?

Q.2 Answer the following questions.

A). Explain silent features and various participants of Foreign Exchange market? (07)

B). Explain mechanism of Letter of Credit with proper diagram. (08)

Q.3 Answer the following questions.

A). Discuss various factors affecting spot exchange rate? (07)

B). Explain silent features of Letter of credit in detail. (08)

Q.4 Attempt any two questions. (Each of 7.5 mark) (15)

1. Write a short note on “SWIFT”.
2. What are the IMF’s loan instruments? Briefly explain each one.
3. Explain the responsibilities and Liabilities of Importer,Expoter,Issueing bank and Negotiating bank under letter of credit.
4. What are the responsibilities of Exporter and Importer Under
 1. EXW
 2. FCA
 3. FOB
 4. CIF
 5. CFR
 6. DDU
 7. DDP