

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com. (Hons) Winter 2018 – 19 Examination

Semester: 5

Date: 01/11/2018

Subject Code: 16102302

Time: 10.30 am to 1.00 pm

Subject Name: Foreign Exchange and Trade Practices

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. (Each of one mark)****(06)****1. In SWAP means the spot is swapped against**

- | | |
|--------------|------------|
| a) Arbitrage | b) Forward |
| c) Spot | d) Hedging |

2. IBRD was established in year.....

- | | |
|----------------|-------------------|
| a) June, 1945 | b) December, 1949 |
| c) April, 1955 | d) December, 1945 |

3. Spot exchange rate refers to exchange currency in.....periods

- | | |
|------------|--------------|
| a) 2 days | b) Immediate |
| c) 1 month | d) 15 days |

4. From following is not a mode of payment in International Trade

- | | |
|----------------------|-----------------------|
| a) Bills of Exchange | b) Payment in advance |
| c) letter of credit | d) Open account |

5. IFC is member of the.....

- | | |
|----------|---------------|
| a) ASEAN | b) SAARC |
| c) NAFTA | d) World bank |

6. Turnkey project refers to that project which in foreign countries.

- | | |
|-------------|---------------------|
| a) Existing | b) Franchising |
| c) Develops | d) Non of the above |

B) Definitions. (Each of one mark)**(06)**

1. Risk management
2. Loro account
3. Currency swap
4. Bills of exchange
5. Contractual agreement
6. Customs invoice

Q.2 Short Note Questions. (Each of 04 mark)**(12)**

1. Explain Hedging
2. Spot exchange rate
3. Explain swap

Q.3 Answer the following. (Any Three)**(18)**

1. Explain role of IMF
2. What are the Objective of EXIM
3. Write note on IFC
4. Explain letter of credit in detail

Q.4 Answer the following. (Any two)**(18)**

1. What are the various documentations are there in Export-import procedure.
2. Explain various causes which change fluctuation in foreign exchange.
3. Describe demand and supply of foreign exchange in international trade.