

**PARUL UNIVERSITY**  
**FACULTY OF COMMERCE**  
**B.Com. (Hons) Winter 2019 – 20 Examination**

Semester: 5

Subject Code: 16102302

Subject Name: Foreign Exchange and Trade Practices

Date: 27/11/2019

Time: 10:30AM TO 01:00PM

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

1. IBRD was established in year.....
 

a) June, 1945	b) April, 1955
c) December, 1945	d) December, 1949
2. Turnkey project refers to that project which ..... in foreign countries.
 

a) Existing	b) Develops
c) Franchising	d) Non of the above
3. IFC is member of the.....
 

a) World bank	b) ASEAN
c) SAARC	d) NAFTA
4. Full form of IMF.....
 

a) Indian monetary fund	b) International market forum
c) International money fund	d) International monetary fund
5. Spot exchange rate refers to exchange currency in.....periods
 

a) 2 days	b) Immediate
c) 1 month	d) 15 days
6. In SWAP means the spot is swapped against .....
 

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

**B) Definitions / One-liners / Terms. (Each of one mark)****(06)**

1. Risk Management
2. Vostro Account
3. Bills of Exchange
4. Turkey Project
5. Custom Invoice
6. Loro Account

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

1. Explain forward exchange rate in brief.
2. Explain concept of hedger.
3. Describe the term arbitrage.

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

1. Write short note on IFC.
2. What are the objectives defined by EXIM.
3. Explain major functions of foreign exchange.
4. Describe in detail role performed by IMF in detail.

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

1. What are the various payment modes available in international market/trade?
2. Explain various causes for fluctuation in foreign exchange.
3. Describe various dealers and participants in foreign exchange market.