

Roll No.

Subject Code—2155

M. Com. (Part II) EXAMINATION

Optional Group III (IB)

MC-207-IB

FOREIGN EXCHANGE MANAGEMENT

Time : 3 Hours

Maximum Marks : 100

Note : Attempt *Five* questions in all. All questions carry equal marks. Q. No. 1 is compulsory.

1. Define the following in brief :

- (i) Foreign Exchange
- (ii) Spot quotes
- (iii) Currency
- (iv) Letter of Credit
- (v) Forward rates
- (vi) Flexible exchange rates
- (vii) Bank of International Settlement

(viii) Non-convertible currencies

(ix) Pre-shipment credit

(x) Swapping.

2. What role does Foreign Exchange Market play in smooth functioning of global trade ? Who are the major players in Forex Markets ?
3. What do you mean by convertibility of currency ? Is Indian currency fully convertible ? What do you suggest as regards to the convertibility of Indian currency in present world of free global trade ?
4. Why foreign trade needs liberal financing ? What types of financing schemes are provided by Indian Government ?
5. What is Foreign Exchange Rate ? How is it determined ? Discuss different factors that determine it.
6. FERA to FEMA, India has come a long way in its Forex Market regulations. Write a short note on this journey.

7. Write a detailed note on International Financial System.
8. Write short notes on any *two* of the following :
 - (i) IMF
 - (ii) IBRD
 - (iii) Economic and Monetary Union
 - (iv) ADB.