

DISTANCE EDUCATION
B.B.M. DEGREE EXAMINATION, MAY 2011.
FOREIGN EXCHANGE AND FINANCING OF FOREIGN TRADE

Time : Three hours

Maximum : 100 marks

PART A — (5 × 8 = 40 marks)

Answer any FIVE questions.

1. Differentiate between Balance of Trade and Balance of Payments.
2. Differentiate between Spot Rate and Forward Rate.
3. How are export documents classified?
4. What are the non-lending services of EXIM Bank?
5. What do you mean by Duty Drawback? How is advance made against it?
6. Write a note on Import Trust Receipt.
7. Explain Foreign Currency Loan as import financing.
8. What is Exchange Rate? State its types.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

9. Explain Standard and Specific Policies of Export Credit Guarantee Corporation.
10. What are the causes for disequilibrium? Discuss the measures for correction of disequilibrium.
11. How is foreign exchange administered in India?
12. Explain exchange control regulations relating to exports and imports.
13. What are the problems in relation to project exports?
14. What are the functions of EXIM Bank?
15. What is Letter of Credit? Explain different types of Letter of Credit.