

DISTANCE EDUCATION**B.B.M. DEGREE EXAMINATION, DECEMBER 2009.****FOREIGN EXCHANGE AND FINANCING OF FOREIGN TRADE**

Time : Three hours

Maximum : 100 marks

PART A — (5 × 8 = 40 marks)Answer any **FIVE** questions.

Each answer should not exceed 1 page.

1. Explain the causes of remittances take place between countries with examples.
2. Discuss the different types of credit instruments.
3. Explain the functions of foreign exchange department.
4. Explain the features of a forward contract.
5. Discuss the principal factors affecting exchange rates.
6. Differentiate the option forward contract and date forward contract.
7. Explain the nature and causes of speculation in exchange.
8. What are the main features of bullion currency?

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

Each answer should not exceed 3 pages.

9. Elaborate the various causes for international payment.
 10. Explain the features of different types of bill of lading.
 11. Explain the role of RBI in exchange control.
 12. As a banker, how do you deal with discrepancies in export documents.
 13. How far EXIM Bank is helpful to the Indian exporters? List down the non-lending services of the EXIM Bank.
 14. Describe the features of
 - (a) Export Finance Guarantee
 - (b) Export performance Guarantee.
 15. What is export financing? Bring out its objectives and explain the financing of project export.
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