

DISTANCE EDUCATION

B.B.M. DEGREE EXAMINATION, MAY 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 features of FOB and CFR terms.
2. Explain the different types of bills of exchange.
3. Describe the role of various participants in the foreign exchange market.
4. Define and illustrate spot and forward exchange transactions.
5. Explain the features of duty drawback scheme.
6. Describe the features of project exports.
7. Explain the non-lending services of the EXIM Bank.
8. Explain the features of construction works policy of the ECGC.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

Each answer should not exceed 3 pages.

9. Explain the causes for disequilibrium in Balance of payments.
10. Explain the features of different types of bills of lading.
11. Describe the features of various methods of exchange control.
12. Examine the role of commercial banks in financing exports at the pre-shipment stage.
13. Describe the features of
 - (a) Retention money guarantee and
 - (b) Advance money guarantee.
14. Explain the role of the EXIM Bank in financing Indian exporters.
15. Discuss the features of different types of guarantees being offered by ECGC to commercial banks.
