pees to Euro. The present spot rate quotation in the market are : 5

Spot (Rupees/US Dollar) : 40.1495-40.1755

Spot (Euro/US Dollar) : 14.6795-14.6995

Calculate how much Rupees he has to pay to the bank to receive Euro worth 8000.

Unit - IV

8. What is forward contract? What are the stages involved in booking of forward contract? 10

9. The following spot rate between Rupees and Dollar given is 5+5=10

Spot (Rs./ US$) : 40.1496

(a) Calculate the Forward Rate interms of (Rs/$) if dollar is expected to depreciate by 4% in next 2 months.

(b) Calculate Forward Rate between (Rs./$) if rupee is expected to appreciate by 3% in next 6 months.

A (Printed Pages 4)

Roll No. ____________

MS-3190

B.B.A. (I.B.) (Semester-IV) Examination, 2015

FOREIGN EXCHANGE ECONOMICS

Time Allowed : Three Hours] ***[Maximum Marks : 70***

Note : Question No.1 is compulsory. Answer four more questions selecting one question from each unit.

1. Write short answers on the following : 3×10=30

(a) Differentiate between Hedgers and Speculators

(b) What are objectives of FEMA?

(c) List the contents of Export Contract

(d) What is SDR's?

(e) State the principal functions of FEDAI.

(f) The following quotation is given in New

York Market :

1USD = ` 42.6250/6500

Is this a direct quote? Convert it into its inverse quote.

(g) Explain IEC number?

(h) Discuss the contents of a commercial invoice.

(i) Explain Open Account as a method of Payment.

(j) Explain Current A/c of Balance of Payments.

Unit - I

2. Describe the main features of IMF. And also explain the various concessional and non concessional loan instruments provided by it. 10

3. Bring out the significance of BOP disequilibrium. What are the various methods to correct this disequilibrium? 10

Unit - II

4. Describe the salient features of a well developed foreign exchange market? And who are the participants of such markets. 10

5. Explain forward margin? Discuss the various factors determining forward margin. 10

Unit - III

6. What are the key documents required in foreign trade? Explain each of them briefly. 10

7. (a) On 17th June, your customer tenders an export bill for USD 50,000 payable at sight and drawn on New York for purchase. US Dollar is quoted in the interbank market as : 5

Spot	1USD = ` 48.7825/8000
Spot/July	4000/3700
Spot/August	6500/6200
Spot/September	9000/8700

What rate you will quote to the customer for the transaction provided you require an exchange margin of 0.10%? Also calculate the rupee amount that would be credited to the account of the exporter.

(b) An Indian importer has done a deal and has to make payment of Euro worth 8000. He wants to convert his Indian ru-