

Total No. of Questions : 3]

SEAT No. :

PB-1497

[Total No. of Pages : 3

[6227]-504

T.Y. B.B.A. (I.B.)

504 : FOREIGN EXCHANGE MANAGEMENT
(2019 Pattern) (Semester - V)

Time : 2½ Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) *All questions are compulsory.*
- 2) *Figures to the right indicate full marks.*

Q1) A) Multiple Choice Questions :

[5]

- i) _____ account is bank account that hold foreign country currency at another bank in that country.
 - a) Zero account
 - b) Loro account
 - c) Vostro account
 - d) Nostro account
- ii) _____ is a rate at which the dealer is willing to sell another currency.
 - a) Bid
 - b) Spread
 - c) Offer
 - d) Option
- iii) The selling rate is also known as _____.
 - a) Offer rate
 - b) Bid rate
 - c) Spread
 - d) Swap
- iv) A foreign currency account maintained by a bank abroad is its.
 - a) Zero account
 - b) Vostro account
 - c) Nostro account
 - d) Loro account

P.T.O.

- v) Non Resident Bank account refer to
 - a) Vostro account
 - b) Nostro account
 - c) Accounts opened in offshore
 - d) Zero account

B) Match the following:

[5]

- | | |
|---|--|
| i) Largest foreign exchange market in the world | a) Difference between spot and forward rate. |
| ii) Forward margin | b) Difference between bid and offer. |
| iii) Spread | c) Bid rate. |
| iv) Buying rate | d) Home currency |
| v) Direct Quotation | e) London. |

C) Answer in one sentence.

[5]

- i) What does the acronym SWIFT stand for?
- ii) What is meant by direct quotation?
- iii) What does acronym OPEC stand for?
- iv) Define forward transaction.
- v) Mention any two method of exchange control.

D) Fill in the blanks.

[5]

- i) Derivative can be used by an exporter for managing _____.
- ii) Indirect Quotation is also known as _____.
- iii) An authorised person under FEMA does not include _____.
- iv) Non Resident Bank Account refer to _____.
- v) Full fledged money changer come under the category _____.

Q2) Long Answer Question. (ANY THREE) :

[30]

- a) Explain various categories of Authorised dealer?
- b) Explain briefly the characteristic of exchange rate system.
- c) Explain in detail SWIFT payment system.
- d) Explain objective and features of FEMA.
- e) Explain meaning and importance of Foreign Exchange Transactions?

Q3) Write Short Notes. (ANY FOUR) :

[20]

- a) Speculation.
- b) Forward exchange contract.
- c) Difference between FERA & FEMA.
- d) Method of Quotation.
- e) Convertibility of rupee on Capital Account.
- f) Currency hedging.

