

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
- Vostro account
 - Nostro account
 - Accounts opened in offshore
 - 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]
- What does the acronym SWIFT stand for?
 - What is meant by direct quotation?
 - What does acronym OPEC stand for?
 - Define forward transaction.
 - Mention any two method of exchange control.
- D) **Fill in the blanks.** [5]
- Derivative can be used by an exporter for managing _____.
 - Indirect Quotation is also known as _____.
 - An autharised person under FEMA does not include _____.
 - Non Resident Bank Account refer to _____.
 - Full fledged money changer come under the category _____.

Q2) Long Answer Question. (ANY THREE) : [30]

- Explain various categories of Authorised dealer?
- Explain briefly the characteristic of exchange rate system.
- Explain in detail SWIFT payment system.
- Explain objective and features of FEMA.
- 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.



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