

(FOR THE CANDIDATES ADMITTED

DURING THE ACADEMIC YEAR 2023

ONLY)

REG.NO. :

23PIB206

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : MAY 2024

M .COM IB(SF)

MAXIMUM MARKS: 75

SEMESTER-II

TIME : 3 HOURS

**23PIB206–FOREIGN EXCHANGE MANAGEMENT****SECTION – A****(10 X 1 = 10 MARKS)****ANSWER THE FOLLOWING QUESTIONS.(K1)**

1.. Controls foreign exchange\_\_\_\_\_

a) RBI&GOI      b) SBI      c) State Government    d) EXIM Bank

2. The Act that regulates foreign exchange as

b) FERA      b)FEMA      c) FDI policy    d) Government Policy

3. FEDAI was established in the year\_\_\_\_\_

a) 1956      b) 1958    c) 1950      d) 1960

4. The authorized dealer Sunder FEMA is classified into\_\_\_\_\_ categories.

a) 4      b)5      c) 3      d)2

5. A foreign currency account maintained by a bank abroad is its

a) Nostro account b) Vestro account c) Loro account d) Current account

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES****(K2)**

6. Expand FEDAI?

7. Explain the meaning of exchange quotations.

8. What is Foreign Trade ?

9. What do you mean by appreciation of Currencies?

10. Explain the two sources of demand for foreign exchange.

**SECTION – B****(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Examine the advantages of foreign trade.

(OR)

b) Compare the FERA with FEMA.

(CONTD .... 2)

12. a) List the types of exchange rate system.  
**(OR)**  
b) Show the differences between Spot rate and forward rate.

13. a) Describe the significance of Cross rate.  
**(OR)**  
b) Distinguish between future econtract and option contract.

14. a) Interpret the concept of Inter bank deals, cover deals and swap deals  
**(OR)**  
b) Examine the objectives of Foreign Exchange Risk Management Policy.

15. a) Explain the sources of supply of foreign exchange.  
**(OR)**  
b) List the functions of foreign exchange market.

**SECTION – C****(5 X 8 = 40 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K4 (Or) K5)**

16. a) Analyze the role of RBI in FOREX reserve.  
**(OR)**  
b) Examine the features of foreign exchange market.

17. a) Discuss the concept of Purchase and Sales transactions, Two way quotations, Direct and Indirect quotation.  
**(OR)**  
b) Summarize the objectives of foreign exchange control.

18. a) Investigate the factors determining the foreign exchange rate.  
**(OR)**  
b) Examine the merits and demerits of fixed exchange rate system.

19. a) Discuss a firm which may face the various types of exchange exposures.  
**(OR)**  
b) Evaluate the methods of translation in Foreign Exchange risk Management

20. a) Formulate the features of foreign exchange management act 1999.  
**(OR)**  
b) State the categories authorized dealers to deal Foreign Exchange.

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