

SVKM's NMIMS
School of Distance Learning

Programme: PGDBFM

Academic year: 2012 – 2013

Subject: International Banking & Foreign Exchange
Management

Semester: IV

Course New

Marks 70

Date: 13.07.2012

Time: 3.00 p.m. to 6.00 p.m.

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book, which is provided for their use.

- NOTE:
- (1) Total No. of questions FOUR
 - (2) Working will form part of answer
 - (3) Pencil not to be used
 - (4) Answer to new question to start on fresh page

Q. 1 Attempt any 2 (TWO) out of 4 (Discuss) Marks – 10

- a. FEMA 1999
- b. EEFC account
- c. IMF and World Bank
- d. Devaluation and Revaluation of a Currency

Q.2 Write short notes on any 2 (Two) out of 5 Marks – 10

- a. Capital Account convertibility
- b. Nostro & Vostro Account
- c. Escrow Account
- d. SWIFT
- e. BUYER'S CREDIT

Q.3 Attempt any 3 (THREE) out of 5 Marks – 30

- a. Why US Dollar is used as the most acceptable currency for International trade.
- b. What are pre-shipment and post-shipment scheme of Banks for financing an exporter in India
- c. Explain FCCB and FCEB procedures and role of FIPB
- d. How Buyer's Credit is used by importers in India to get funds at LIBOR related rates of Interest
- e. The impact of FII and FDI investment on Capital Market & INR.

Q.4 Marks - 20

a) What is Balance of Trade and Balance of Payment? Give brief details of its components? How and why RBI monitors the same and its impact on Forex Reserves, inflation and money supply in India? (7)

b) Calculate the INR equivalent for the following currencies: (Given 1 USD = INR 51.05) (7)

1 GBP = USD 1.5845

1 Euro = USD 1.3250

1 USD = JPY 82.50

1 USD = CHF 0.9975

1 USD = AED 3.6725

b) A customer offers you a sight bill for USD 50,000/- on 01.06.2012 under a letter of credit established in his favor by an European Bank. Assuming the following what Rupees amount will you credit to his account? (6)

Inter-Bank USD 1 = 50.72/73

Transit period 25 days, Interest @ 9% per annum, Exchange Margin 0.150%