

**SVKM's NMIMS**  
**NMIMS – GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION**

Programme: PGDFM/PGDITM

Examination: December 2016  
Subject: International Finance

Semester: IV  
Course : New

Marks : 70

Date: 17.12.2016

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

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**Instructions:**

1. Answer to each new question to be started on a fresh page.
2. Figures in bracket indicate full marks.

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**Q.1) Attempt any 2 out of 4**

**(Marks: 2X5=10)**

- a) Balance of Trade & Balance of Payment
- b) Foreign Trade Policy 2015-20
- c) Role of ECGC in International Trade
- d) Brettonwood System

**Q.2) Write short notes on (2 out of 5)**

**(Marks: 2X5=10)**

- a) Role of UCPDC 600 in International Trade & Finance
- b) Purchasing Power Parity
- c) INCOTERMS 2010
- d) EEFC and RFC accounts
- e) FCNR-B Accounts and NRE Accounts

**Q.3) Attempt any 3 out of 5**

**(Marks: 3X10=30)**

- a) 'What are the various Hedging Instruments offered by Banks to exporters-importers to hedge their foreign currency risk in India.
- b) What are the factors influencing foreign currency spot and forward rates in India.
- c) What is Convertibility? In India, INR is fully convertible for Current Account and Partly convertible on capital Account. Explain.
- d) What is Fixed, Floating and Dirty Float used in Exchange Rate Mechanism. Explain what kind of system is following in Japan, China and India.
- e) What is Transaction, Translation and Operating Exposure.

**Q.4) Attempt both the questions**

**(Marks: 2X10=20)**

a) Given that Spot USD/INR 67.50/51 and forward premiums in paisa as under:

Spot - Aug. 2016 - 311/313

Spot - Aug. 2016 - 333/335

Ignore banks margin for booking forward contract?

What rate Exporter shall be given for forward purchase contract for 31st Aug., 2016.

What rate Importer shall be given for forward sales contract for 31st Aug., 2016.

What rate Exporter shall be given for forward purchase contract for delivery 1st Aug 2016 to 31st Aug., 2016.

b) Major Central Banks in world are offering Zero/Negative Rates of Interest and also going for Quantitative Easing. Explain the impact of this on Emerging Markets Capital Market and Economy. Why IMF is not insisting major central banks to normalize Interest rate. Does this undermine the role of IMF in the world? Explain.

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