

Total No. of Questions : 3]

SEAT No. :

**PC1195**

**[6318]-304**

[Total No. of Pages : 3

**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]**

- a) A \_\_\_\_ is a price offered by a dealer to buy another currency.
- |           |            |
|-----------|------------|
| i) Offer  | ii) Spread |
| iii) Spot | iv) Bid    |
- b) \_\_\_\_ transaction is the purchase or sale of goods or service at a certain price for a delivery on fixed future date.
- |           |             |
|-----------|-------------|
| i) swap   | ii) option  |
| iii) spot | iv) forward |
- c) FEMA was found in the year
- |           |          |
|-----------|----------|
| i) 1974   | ii) 1948 |
| iii) 1956 | iv) 1999 |
- d) A fixed exchange rate is also known as \_\_\_\_ exchange rate.
- |                            |                     |
|----------------------------|---------------------|
| i) Dollarisation           | ii) Pegged rate     |
| iii) Managed floating rate | iv) Semi fixed rate |
- e) Nostro means \_\_\_\_
- |            |          |
|------------|----------|
| i) yours   | ii) ours |
| iii) their | iv) them |

**P.T.O.**

B) Match the following. [5]

Group-A

Group-B

- |                    |                                    |
|--------------------|------------------------------------|
| a) SWIFT payment   | i) Transferring funds abroad       |
| b) TT selling rate | ii) Mean your                      |
| c) Vostro account  | iii) Swift code                    |
| d) Spread          | iv) Decrease the value of currency |
| e) Devaluation     | v) Difference between bid & offer  |

C) Answer in one sentence [5]

- a) What is meant by TT buying rate.
- b) Meaning of LORO account.
- c) Define spot rate.
- d) Define swap transaction.
- e) Define hedging.

D) Fill in the Blanks [5]

- a) FERA is replaced by \_\_\_\_\_
- b) \_\_\_\_\_ is not an authorised person under FEMA.
- c) Indirect quotation is also known as \_\_\_\_\_
- d) TT stand for \_\_\_\_\_
- e) Derivative can be used by an exporter for managing \_\_\_\_\_.

**Q2) Long Answer questions. (Any 3)**

**[30]**

- a) Explain Authorised person under FEMA.
- b) Explain briefly the SWIFT payment system.
- c) What do you mean by exchange rate. State merit & demerit of fixed & flexible exchange rate.
- d) Elaborate the objective and importance of exchange control.
- e) Explain the role of RBI in controlling foreign exchange market.

**Q3) Write Short Notes on (Any 4)**

**[20]**

- a) Salient features of FEMA
- b) Exchange quotation
- c) Managed rates
- d) Forward exchange contract
- e) Convertibility of Rupee on current account
- f) External technique of exposure management.

