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Register Number:

Name of the Candidate:

P.G.DIPLOMA EXAMINATION December 2014

(INTERNATIONAL BUSINESS)

120. BASICS OF FOREIGN EXCHANGE

Time: Three hours

Maximum: 100 marks

**Answer any FIVE of the following
All questions carry equal marks**

(5×20=100)

1. Explain the administrative mechanism of Foreign Exchange.
2. Discuss the roles of FEDAI in foreign exchange business.
3. How does a government fix an exchange rate? Explain with a hypothetical situation.
4. Enumerate the factors causing fluctuation in Exchange Rates and the effects of fluctuation in Indian economy.
5. Elucidate the instruments used in the international payments.
6. Discuss the features and clearing mechanism for Foreign Travellers Cheque.
7. Elucidate the methods of settling debts in International Trade.
8. Explain the meaning, features and mechanisms of letter of credit.
9. What are the objectives of exchange control and indicate India's recent Foreign Trade Policy?
10. Enumerate the features of FERA 1973.
