



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**B.Com. DEGREE EXAMINATION – COMMERCE**

**FIFTH SEMESTER – NOVEMBER 2018**

**CO 5411 – PRINCIPLES OF FOREX MANAGEMENT**

Date: 01-11-2018

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

**PART A**

**ANSWER ALL THE QUESTIONS:**

**10X2 = 20 Marks**

1. What is meant by “Foreign Exchange Management”?
2. Distinguish between FEMA and FERA.
3. What do you mean by Balance of Payment?
4. State any four Acts, relating to Foreign Exchange.
5. Distinguish between FEMA and FERA.
6. Write note on “FDI”.
7. Differentiate exposure and risk.
8. Mention the three methods of Exchange Control.
9. Why customer service strategy is required for marketing foreign exchange?
10. What is ‘economic exposure’?

**PART B**

**ANSWER ANY FOUR QUESTIONS:**

**4X10 = 40 Marks**

11. Explain the components of Balance of Payments.
12. Narrate any five methods of payments in international trade.
13. Describe the functions of Foreign Exchange department of RBI.
14. Explain the administrative set up of FEMA 1999.
15. Justify the effects of exchange rates in foreign trade.
16. Differentiate between FDI and FPI.
17. Briefly explain the features of futures contract.

**PART C**

**ANSWER ANY TWO QUESTIONS:**

**2X20 = 40 Marks**

18. Make a critical analysis on the risks involved in international trade.
19. Describe the different risk management techniques for exchange risk management.
20. Explain the importance of foreign direct investment.
21. Examine the factors influencing the exchange rates.

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