



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

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

**FIFTH SEMESTER – APRIL 2018**

**CO 5411- PRINCIPLES OF FOREX MANAGEMENT**

Date: 08-05-2018  
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

**PART A**

**ANSWER ALL THE QUESTIONS:**

**10X2 = 20 Marks**

1. What is meant by “Foreign Exchange Management”?
2. What is mean by current account in Balance of Payment?
3. State any four Acts, relating to Foreign Exchange.
4. Why is FDI needed?
5. Distinguish between FEMA and FERA.
6. What is rate of exchange?
7. Mention the three methods of Exchange Control.
8. What is hedging?
9. What is ‘economic exposure’?
10. Differentiate exposure and risk.

**PART B**

**ANSWER ANY FOUR QUESTIONS:**

**4X10 = 40 Marks**

11. Briefly explain the determinants of Exchange rates.
12. Narrate any five methods of payments in international trade.
13. Explain the administrative set up of FEMA 1999?
14. Briefly explain the factors affecting foreign exchange rates.
15. Differentiate between FDI and FPI.
16. Highlight the role of commercial banks in foreign exchange.
17. Briefly explain the features of futures contract.

**PART C**

**ANSWER ANY TWO QUESTIONS:**

**2X20 = 40 Marks**

18. Explain transaction exposure and how is it managed.
19. Enumerate the effects of foreign investments on exchange rate.
20. Examine the factors influencing the exchange rates.
21. Explain the importance of foreign direct investment.

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