



B.B.A. V Semester Degree Examination, March/April - 2022
MANAGEMENT CBCS

Paper No. 5.4.2 - Foreign Exchange Operation

Time : 3 Hours

Maximum Marks : 70

SECTION - A

1. Answer **any ten** of the following questions.

10x2=20

- What do you mean by Foreign Exchange Rate ?
- What is "equilibrium in BOP" ?
- What is Fixed Exchange Rate System ?
- What is "Crawling peg" ?
- Define PPP Theory.
- What is Exchange Control ?
- Expand FEMA and in which year it came into force ?
- What are Forward transactions ?
- Expand FAS, FCA, CPT and DAP.
- What is Cross Currency Rate ?
- What is Surplus and Deficit in BOT ?
- What do you mean by "Blocked Currency" ?

SECTION - B

Answer **any four** of the following questions.

4x5=20

- Distinguish between BOT and BOP.
- Explain the Merits and Demerits of Flexible Exchange Rate.
- Explain the objectives of Exchange Control.
- The exchange rate between Peso and Dollar is 1\$ = Peso 19 and between Dollar and Rupee is 1\$ = 73 ₹. Calculate the exchange rate between Peso and Rupee.



P.T.O.

6. Write a brief note on the Exchange Rate Regime followed by Indian Economy.
7. What are the powers given to the RBI under FEMA ?

SECTION - C

Answer **any two** of the following questions.

2x10=20

8. Explain the functions of Foreign Exchange Market.
9. Explain in detail the currency convertibility on Current and Capital Account.
10. What are the documents used in Foreign trade ? Discuss.

SECTION - D

Case Study (Compulsory)

11. Discuss in detail the factors influencing the exchange rate and determine the exchange rates from the following. **1x10=10**
- (a) Demand and supply factor.
- (b) When demand and supply is constant.

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