

K.J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES & RESEARCH

PGDM (IB) – 2017 – 19 BATCH – IV TRIM

International Trade Finance

Time–2 hours

Marks–25

Date : 28/09/2018

Note.–

- i) Answer any five questions**
- ii) Each question carries 5 marks**
- iii) Text Book given by SIMSR can be used during the exam**

Qn1.Explain the following concepts with reference to International Business.–

- a)Collection of bills**
- b)Advance payments**

Qn2. What is a Letter of credit? What are the responsibilities of a negotiating bank under L/C?

Qn 3.What are the different types of exchange rates? How it useful in trade finance?

Qn4 .Explain the various strategies followed by MNCs to manage transaction exposure?

Qn 5Work out the exporter /importer rates quoted by the bank assuming the following:-

Spot US\$1=Rs 70.1250-70.1350

Exchange profit margin 2paise

Qn6 .What are forward contracts? How banks quote rates for forward contracts? Describe with numerical examples

Qn7.Explain the importance of country risk management in international trade finance?
