

K.J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES & RESERCH

PGDM (IB) 2016-18 -Trimester IV

International Trade Finance

End Term Examination

Date : 15/09/2017

Marks-30

Time- 2 hours

Note:-

- a) **Question No1 is compulsory**
- b) **Answer any two questions from the rest**
- c) **Each Question carries 10 marks**
- d) **Text Book by Paul Cowdell can be used during the examination**

1. a) Distinguish between :-
Collection & Negotiation of bills

b) A bank collected Euro 100,000 covering export bills for a customer. What arate will the bank quote and what rupee amount will be credited to the exporter's account ?

Assume the following on-going rates:-

Mumbai Spot US\$ 1= Rs 64.5100-64.5200

Paris Spot Euro1= US\$ 1.4150-1.4160

Bank requires an exchange margin of 1 paise

2. What are Spot and forward exchange rates? How is it important in trade Finance?

3. What are the risks in international Trade? How banks help in risk management?

4. Explain International Chamber of commerce guidelines (ICC Paris) –INCO TERMS 2010, How INCO TERMS affect export documents?

5. What are the important provisions of e UCP? Describe them in detail

6. What are Standby letters of Credit? Is it an alternative to bonds? Give reasons
