

Z 4525

M.B.A. DEGREE EXAMINATION, NOVEMBER/DECEMBER 2006.

Third Semester

BA 1729 — INTERNATIONAL TRADE FINANCE

(Regulation 2005)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What do you mean by Balance of Payments?
2. State the objective of EXIM BANK.
3. Mention the basic principles on which ECGC operates.
4. What are the costs covered by pre-shipment finance?
5. What is a forward premium?
6. What are the two very important rules for dealing in foreign exchange?
7. What is consular invoice?
8. Explain shipping bill.
9. What is meant by SEZ?
10. Explain EPCG scheme.

PART B — (5 × 16 = 80 marks)

11. (a) List the economic reasons that give rise to International Trade.

Or

- (b) Narrate the scope of activities of WTO.

12. (a) What is letter of credit? Explain the operation of a letter of credit.

Or

(b) "Different types of policies are issued to exporters by ECGC to meet their individual needs" – Analyse.

13. (a) What are the functions of the foreign exchange market?

Or

(b) Why are forward prices for foreign currency seldom equal to current spot prices?

14. (a) Explain the various documents connected with export business in detail.

Or

(b) What is Bill of Lading? Explain in detail.

15. (a) Name the important export promotion organisations established in India and describe their main functions.

Or

(b) Do you agree with the view that export incentives and assistance in India needs a through re-examination in the light of the current needs of the exporting community? Answer in detail.