

B. Com. – III

Group – :J” : Banking and Foreign Exchange

Paper No. XVIII-B : Foreign Exchange Practices & Problems

1. **Foreign Exchange:** Concept, Need, Difference between Foreign Exchange and Normal Transaction.
2. **Documents used in Foreign Trade:** Invoice, Bill of Lading, Bill of Exchange, Insurance Policy, Letter of Credit.
3. **Balance of Trade and Balance of Payments:** Meaning and Differences, Disequilibrium in the Balance of Payments: Causes, Consequences and Remedies.
4. **Mechanism of International Payment:** Instruments of External Payments, Equilibrium Rate of Exchange, Fixed Vs Flexible Exchange Rates.
5. **Foreign Exchange Market:** Operations, Agency arrangement, Spot Exchange, Forward Exchange, Arbitrage Operations, Cover Operations.
6. **Foreign Trade Risks and Insurance:** Political Risks, Commercial Risks, A critical study of the working of ECGC.
7. **Export Credit:** Packing Credits, Shipping Finance, EXIM Bank.
8. **Liberalised Exchange Rate Mechanism (LERM):** Detailed study. Tarapore Committee Report of 2000 and Report II of 2006 on Capital Account Convertibility.
9. Laws and Procedures of Travel Remittances: Inward and Outward.
10. **Non-Resident Accounts:** Procedure, facilities and tax concession available in India.
11. **Arithmetic of Exchange Rate:** Customer’s and Banker’s Calculation of Spot and Forward Rates.