UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2022

Course : Foreign exchange management in banking operations **Semester :** 3rd
Program: B Com Hons **Time :** 03 hrs.
Course Code : FINC2048 **Max. Marks:** 100

Instructions: All questions are compulsory

SECTION A
10Q x 2M =20Marks

S. No.		Marks	CO

Q1	The income of a private company is not taxable as per income tax act upto Rs.
	  A. 1,00,000.
	  B. 2,00,000.
	  C. 2,50,000.
	  D. None of these.
		2	1

Q2	……………. is a loan provided by a bank or financial institution for conversion of raw materials into finished goods.
	  A. Post shipment finance.
	  B. Pre shipment finance.
	  C. Home loan.
	  D. None of these.
		2	1

Q3	………………. is a service in which a factor agrees to collect all receivables on behalf of client.
	  A. Factor.
	  B. Factoring.
	  C. Collector.
	  D. Collecting.
		2	1

Q4	……….. is a customized contract between two parties to buy or sell an asset at a specified price on a future date.
	  A. Future contract.
	  B. Forward contract.
	  C. Both a and b.
	  D. None of these.
		2	1

Q5	……….. is a method of trade finance that allows exporters to obtain cash by selling their medium and long term foreign accounts receivables.
	  A. Forfeiting.
	  B. Selling.
	  C. Financing.
	  D. None of these.
		2	1

Q6	……………… market determines foreign exchange rates for every currency.
	    A. Exchange counter.
	    B. Export import.
	    C. Foreign exchange.
	    D. None of these.
		2	1

Q7	…………… is an electronic funds tranfer that simplifies the process of sending money for overseas wire transfers. A. Telegraphic transfer. B. NEFT. C. RTGS. D. None of these.	2	1
Q8	FCRA rules 2022 allows indians to receive upto Rs……. in a year from relatives staying abroad. A. 5 lakhs. B. 10 Lakhs. C. 15 Lakhs. D. None of these.	2	1
Q9	………………… financial service takes care of export business during time lag between when an exporter ships the goods and he receives payment from his buyer. A. Post shipment finance. B. Pre shipment finance. C. Home loan. D. None of these.	2	1

Q10	Registration under GST is mandatory when sales exceed Rs.
	    A. 15 lakhs.
	    B. 20 lakhs.
	    C. 25 lakhs.
	    D. None of these.
		2	1

SECTION B **4Q x 5M = 20 Marks**			
Q11	X receives Rs.20,000 each from his seven friends as gift of money. Determine the amount which is taxable as per income tax act provisions.	5	2
Q12	Raju earned Rs.7,60,000 taxable income from all sources during the last financial year. The assessing officer demands 20% tax on this amount. Is he justified. Describe	5	2
Q13	Every bank has to keep a part of its total deposits with RBI as all the customers will not withdraw whole amount on a single day. Define the concept indicated in this statement.	5	2
Q14	The bank manager demanded GST registration for opening current account of customer. But the turnover of this customer is below the	5	2

	threshold limit of Rs.20,00,000. How this account can be opened in this situation when the customer is not ready to get himself registered under GST. Discuss the relevant provisions.		
	SECTION-C **3Q x 10M = 30 Marks**		
Q15	Girish informed Madan that it costs Rs.65 to purchase one dollar. Is it a direct quote or indirect quote? Analyse as per foreign exchange regulation act rules..	**10**	**3**
Q16	Foreign contribution is done as per a set of rules. Integrate them with income tax provisions.	**10**	**3**
Q17	Applying the foreign exchange functions in a bank branch, critically examine the factors which are considered while transferring money from one branch to another.	**10**	**3**
	SECTION-D **2Q x 15M = 30 Marks**		
Q18	A foreign worker has transferred money to his family members in home country. Which concept is indicated in this statement. Explain the concept along with its types.	**15**	**4**
Q19	There are many instruments of international money transfers in a foreign exchange market. Each such instrument has its own merits and demerits. As a financial advisor guide which instrument is suitable for small transfers of money.	**15**	**4**