215 Foreign Exchange And Recent Advances in Banking and Finance

Unit	Unit Title	Contents
No.		
1	Foreign Exchange	1.1 Meaning of foreign exchange
	Market	1.2 Features of foreign exchange market.
		1.3 Participants of foreign exchange market.
		1.4 Spot market: features
		1.5 Forward market: features
		1.6 Forward market Hedging
		1.7 Swap rates
		1.8 Currency futures
		1.9 Currency Options
		1.10 Risk in Foreign Exchange Market
2	Foreign Exchange	2.1 Structure and Growth of Indian foreign Exchange Market
	Market in India	2.2 Foreign Exchange Management Act, 2000: Origin &
		Scope
		2.3Authorized money changers and Authorized Dealers in
		Foreign Exchange.
		2.4 Dealing Rooms – Concept & Importance
		2.5 Types of Accounts: of Non-Resident Indians
		2.6 Meaning of Non-Resident
		2.7 Non-Resident (External) Account (NRE)
		2.8 Non-Resident (Ordinary) Account (NRO)
		2.9 Foreign currency (Non-Resident) Account (FC NR)
		2.10 Resident Foreign Currency Account (RFC)
		2.11 Non-Resident Non-Repatriable Account (NRNR)
		2.12 Role of Reserve Bank of India in Foreign Exchange
		Market.
		2.13 Factors Influencing foreign exchange rate
		2.14 Trade in major world currencies
3	Financing of	3.1 Objectives of Foreign Trade Documentation.
	Foreign Trade	3.2 Documents:
		• Letter to Credit (L/C)
		• Parties to L/C; operation of L/C
		Types of L/C: Revocable & Irrevocable
		Transferable, Back to back credits
		• Revolving L/C
		Anticipatory L/C
		• Draft, Types of draft.
		Mate's Receipt. Bill of lading, Invoice. Insurance policy,
		Certificate of origin, consular's invoice, bill of Exchange
3	_	2.14 Trade in major world currencies 3.1 Objectives of Foreign Trade Documentation. 3.2 Documents: • Letter to Credit (L/C) • Parties to L/C; operation of L/C • Types of L/C: Revocable & Irrevocable • Transferable, Back to back credits • Revolving L/C • Anticipatory L/C • Draft, Types of draft. • Mate's Receipt. Bill of lading, Invoice. Insurance policy,

	3.5.1.1.0	41 D 1 G 15
4	Methods of	4.1 Bank Credit –
	Financing Foreign	• Pre-shipment credit
	Trade	• Post-shipment credit
		Medium-term credit
		• Credit under duty draw back scheme
		• Export-Import Bank of India (EXIM Bank):
		Objectives, Functions, Performance and Role,
		• Export Credit Guarantee Corporation (ECGC) of India.
		• Financing of Agro Export and documentations and finance
		and insurance required for it.
5	Recent	5.1 Financial inclusion: Concept, Benefits, RBI guidelines,
	Developments in	Economic Growth and financial inclusion, constrains.
	Banking	5.2 Regulation with respect to management of NPAs and
		Maintenance of Capital adequacy norms. Bad assets
		management (Bad banks or companies).
		5.3 Basel Norms: III and IV.
		5.4 Micro Finance Institutions: role, prospectus and containers.
		5.5 Customer service management: Customer education and
		Customer Relationship Management. Customers meet,
		Provisions of Consumer Protection Act.
		5.6 The Banking Ombudsman Scheme, 2006 Concept of
		CAMELS rating in banks.
6	Technological	Delivery channels:
	Developments in	6.1 Core Banking,
	Banks	6.2 Tele banking,
		6.3 Mobile banking,
		6.4 ATMs,
		6.5 Internet Banking.
		6.6 Electronic Funds Transfer: (BCS credit-debit,
		SWIFT, RTGS, and NEFT)
7	Recent	7.1 Role and functions: Call/ Notice / Term policy, Treasury
	Developments in	Bills, Commercial paper and Certificate of Deposits.
	Money Market	7.2 Collateralized borrowing and lending obligations. (CBLD)
		7.3 Money Market Mutual Fund. (Repos) Repurchase
		obligations (Market Repo & Repo with RBI)
		7.4 Money market derivative and
		7.5 Money market debt funds
8	Recent	8.1 Recent reforms in the capital market with reference to
	Developments in	primary market : Book building, Reverse book building
	Capital Market	mechanism (75%-100%), Green Shoe option, Online IPOs.,
		Grading & IPO's
1		8.2 Secondary Market: organization, Regulation and functions

the NSE, OTCEI, and the interconnected stock exchanges of
India. The working of these stock exchanges using network.
8.3 Changing trends in foreign institutional investments (FII)
Introduction of Depositories and Custodian Demat service,
Options and futures trading in equity derivatives market,
regulation by SEBI.