

**INTERNATIONAL TRADE FINANCE & FOREX  
OPERATIONS – STAGE-III  
ISQ Examination (Summer-2010)**

- Q.1 State True or False in the answer column.**
- Q.2 Please write the alphabet of the selected choice in the answer column:**
- Q.3 (A) Please give a detailed account of SBP Export Finance scheme Part I and Part II. Indicate possible misuse of this facility by the borrowers.**
- Q.3 (B) How does a Revolving Credit work. What are the benefits to the exporter under this credit? What is the risk to the importer and the issuing bank while opening this credit?**
- Q.4 (A) How can the exports of the country be increased? Discuss the role of the business community, the Government, and SBP in promoting exports.**
- Q.4 (B) Explain how an import transaction works under Documentary Collections. Also explain the salient features of Documentary Collection mechanism.**
- Q.4 (C) (i) What are the reasons for issuance of Transferable Credit?  
(ii) Who can transfer the LC and to whom?  
(iii) How does transfer mechanism work?  
(iv) How are export documents negotiated under a Transferable Letter of Credit.**
- Q.5 (A) Please provide the details relating to possible discrepancies found in export documents. How many times are these documents examined and by whom until the case is closed?**
- Q.5 (B) Briefly explain how Bank Guarantees are used in various situations. How do Bank Guarantees differ from the Standby Letters of Credits? What is a counter guarantee?**
- Q.6 Explain the Foreign Exchange function in a bank. What mandate is given to this department and how is its performance measured by the management?**
- Q.7 (A) Define a currency SWAP transaction with an example being used by businesses and banks.**
- Q.7 (B) What are the key features of a Currency Option? How does it differ from the Forward?**
- Q.8 Define portfolio investment by the foreign investors. What is the reason for their investment in Equity and Bonds and how can our country benefit from this?**

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