

$$₹/€ \quad 96.02/96.25$$

$$₹/£ \quad 102.45/102.95$$

$$€/\pounds \quad \text{Bid} = \frac{1}{96.25} \times 102.45$$

$$= 1.0644$$

$$\text{Ask Rate} = \frac{1}{96.02} \times 102.95$$

$$= 1.0722$$

Case 1 हमारे पास £ हैं और हमें Bank को £ बेचकर € Buy करना है।

- First £ Sell करके ₹ Buy करेंगे

$$₹/\pounds = 102.45$$

- उसके बाद ₹ देकर € Buy करेंगे

$$₹/€ = 96.25$$

$$€/\pounds = \frac{1}{96.25} \times 102.45 = 1.0644$$

Case- 2 हमें Bank से £ Buy करना है
€ देकर

- Buy ₹ from €

$$₹/€ = 96.02$$

- Buy £ from ₹

$$₹/\pounds = 102.95$$

$$€/\pounds = \frac{1}{96.02} \times 102.95$$

$$= 1.0722$$

¥/₹ 3.25/3.85

\$/₹ 0.0128/0.0132

¥/\$ Bid = $3.25 \times \frac{1}{0.0132}$

~~Ast~~

$3.85 \times \frac{1}{0.0128}$

=

Bid = 246.21 ✓

~~Ast~~ = 300.78 ✓

EXAMPLE – 25

$$₹/£ = 90.45/91.25$$

$$₹/\$ = 71.25/71.75$$

$$\$/£ = ?$$

$$1.2606 \quad \text{Bid} =$$

$$1.2807 \quad \text{Ask} =$$

EXAMPLE – 26

$$¥/\$ = 145/153$$

$$¥/£ = 182/185$$

$$£/\$ = ?$$

$$\text{Bid} = \frac{1}{185} \times 145 = 0.7838$$

$$\text{Ask} = \frac{1}{182} \times 153 = 0.8407$$

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• हमें \$ देकर £ Buy करना है

• Buy ₹ from \$
 $\$/\text{₹} = 0.0168$

• Buy € from ₹
 $\text{₹}/\text{€} = 75.85$

• Buy £ from €
 $\text{£}/\text{€} = 0.8525$
 $\$/\text{£} = \frac{\$}{\text{₹}} \times \frac{\text{₹}}{\text{€}} \times \frac{\text{€}}{\text{£}} \times \frac{1}{0.8525}$
 $= 0.0168 \times 75.85 \times \frac{1}{0.8525}$



EXAMPLE - 27

$$\text{\$/₹} = 0.0165/0.0168$$

$$\text{₹/€} = 75.45/75.85$$

$$\text{£/€} = 0.8525/0.8605$$

$$\text{\$/£} = ?$$

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$$\text{Bid} = \frac{\$}{\text{₹}} \times \frac{\text{₹}}{\text{€}} \times \frac{\text{€}}{\text{£}} \times \frac{1}{0.8605} = 1.4467$$

$$\text{Ask} = 0.0168 \times 75.85 \times \frac{1}{0.8525} = 1.4947$$

EXAMPLE - 28

① ✓ GBP/USD = 1.5045/85

① ✓ USD/JPY = 152/155

③ JPY/GBP = ?

£/¥

\$/£

¥/\$

£/¥

1.5045/1.5085

152/155

$$\text{Bid} = \frac{1}{1.5085} \times \frac{1}{155} = 0.0043$$

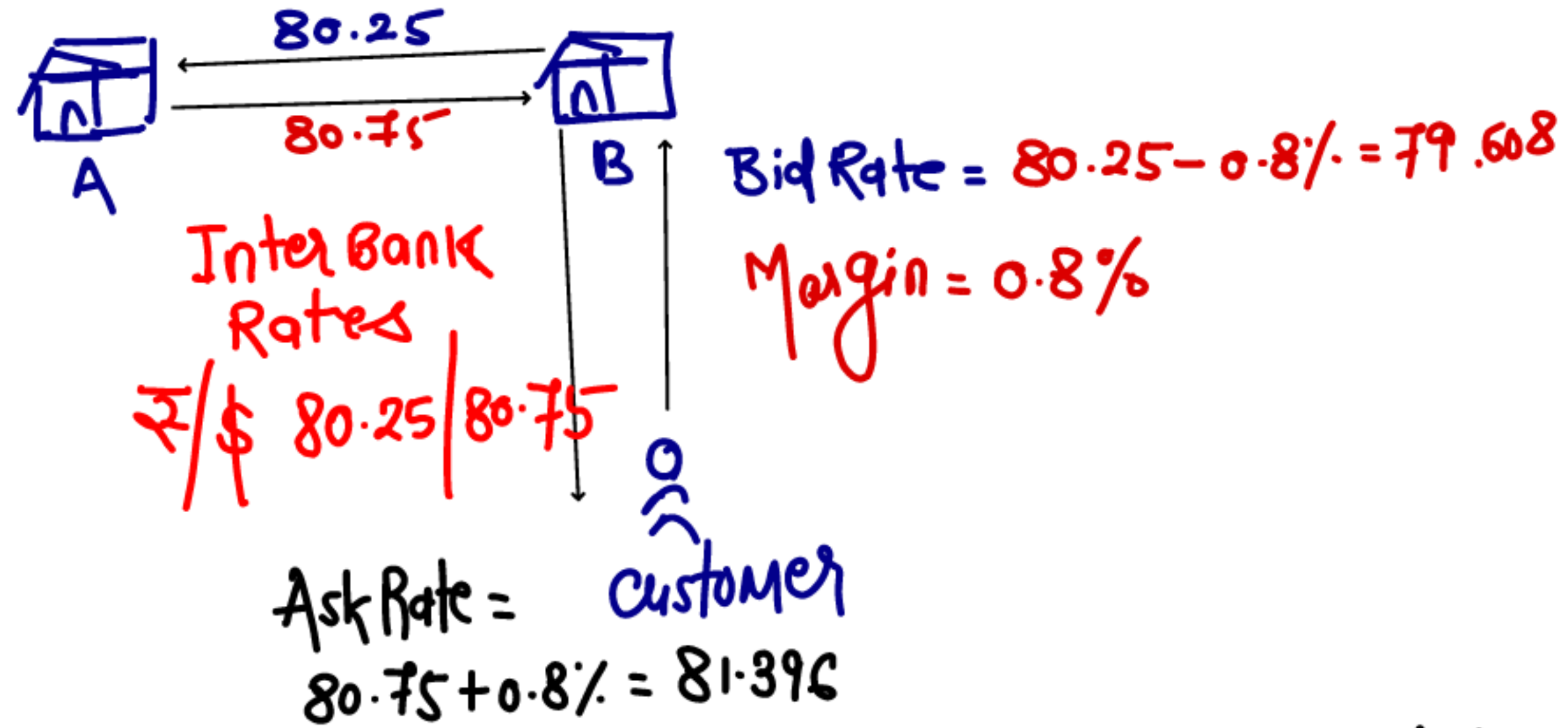
$$\text{Ask} = \frac{1}{1.5045} \times \frac{1}{152} = 0.0044$$

$$\text{Bid} = 0.0043$$

$$\text{Ask} = 0.0044$$

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6. Calculation of Customer's Rate



If Inter Bank Rates are given, then Margin is added to Ask Rate & subtracted from Bid Rate to calculate Customer's Rate.

(Bank sell करेगी तो और ज्यादा में
& Buy करेगी तो और कम में)

QUESTION - 01

Given:

$$\text{US\$ } 1 = \text{¥ } 107.31$$

$$\text{£ } 1 = \text{US\$ } 1.26$$

$$\text{A\$ } 1 = \text{US\$ } 0.70$$

(i) Calculate the cross rate for Pound in Yen terms

~~£/¥~~ ¥/£

(ii) Calculate the cross rate for Australian Dollar in Yen terms

(iii) Calculate the cross rate for Pounds in Australian Dollar terms

(RTP November - 2020)

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$$\text{¥/\$ } 107.31$$

$$\text{\$/£ } 1.26$$

$$\text{\$/A\$ } 0.70$$

$$\textcircled{i} \text{ ¥/£}$$

$$\text{¥/£} = 107.31 \times 1.26 = 135.21$$

$$\textcircled{ii} \text{ ¥/A\$} = 107.31 \times 0.70 = 75.117$$

$$\textcircled{iii} \text{ A\$/£} = \frac{1}{0.70} \times 1.26 = 1.800$$

QUESTION - 03

On January 28, 2013 an importer customer requested a Bank to remit Singapore Dollar (SGD) 2,500,000 under an irrevocable Letter of Credit (LC). However, due to unavoidable factors, the Bank could effect the remittances only on February 4, 2013. The inter-bank market rates were as follows:

	January 28, 2013	February 4, 2013
US\$ 1 = ₹	₹ 45.85/45.90	₹ 45.91/45.97
GBP £ 1 = US\$	US\$ 1.7840/1.7850	US\$ 1.7765/1.7775
GBP £ 1 = SGD	SGD 3.1575/3.1590	SGD 3.1380/3.1390

The Bank wishes to retain an exchange margin of

0.125%

Required:

How much does the customer stand to gain or lose due to the delay?

(Note: Calculate the rate in multiples of 0.0001)

(Study Material, PM & Exam November - 2011)

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28/1/2013

₹/SGD

- Buy \$ from ₹
₹/\$ = 45.90
- Buy £ from \$
\$/£ = 1.7850
- Buy SGD from £
SGD/£ = 3.1575

$$\begin{aligned}\text{₹/SGD} &= \frac{\text{₹}}{\text{\$}} \times \frac{\text{\$}}{\text{£}} \times \frac{\text{£}}{\text{SGD}} \\ &= 45.90 \times 1.7850 \times 3.1575\end{aligned}$$

$$= ₹25.9482 + 0.125\% = 25.9806$$

$$\text{Loss due to the delay} = (25.9806 - 26.0719) \times 2500000 = ₹228250$$

4/2/2013

₹/SGD

$$\begin{aligned}&45.97 \times 1.7775 \times \frac{1}{3.1380} \\ &= 26.0394 + 0.125\% \\ &= 26.0719\end{aligned}$$

QUESTION - 04

December 27, 2001 a customer requested a bank to remit DG 2,50,000 to Holland in payment of import of diamonds under an irrevocable LC. However due to bank strikes the bank could affect the remittance only on January 3, 2002. The interbank market rates were as follows:

$$\$/\text{₹} = \underline{0.0310} / \underline{0.0315}$$



	<u>December 27</u>	<u>January 3</u>
Bombay	\$/₹ 100: 3.15-3.10 <u>₹ 100: 3.15-3.10</u>	3.12-3.07
London	\$/1 pound: 1.7250/60	1.7175/85
	DG / pound: 3.9575/ 90	3.9380/90

The bank wishes to retain an exchange margin of 0.125%. How much does the customer stand to gain or lose due to the delay?

~~ICAI~~

① GBP/USD = 1.2540/1.2570 \$/£

Buy \$5000 from bank

£ required = ?

$$\begin{array}{r} 3977.77 \\ \hline 3987.24 \end{array}$$