

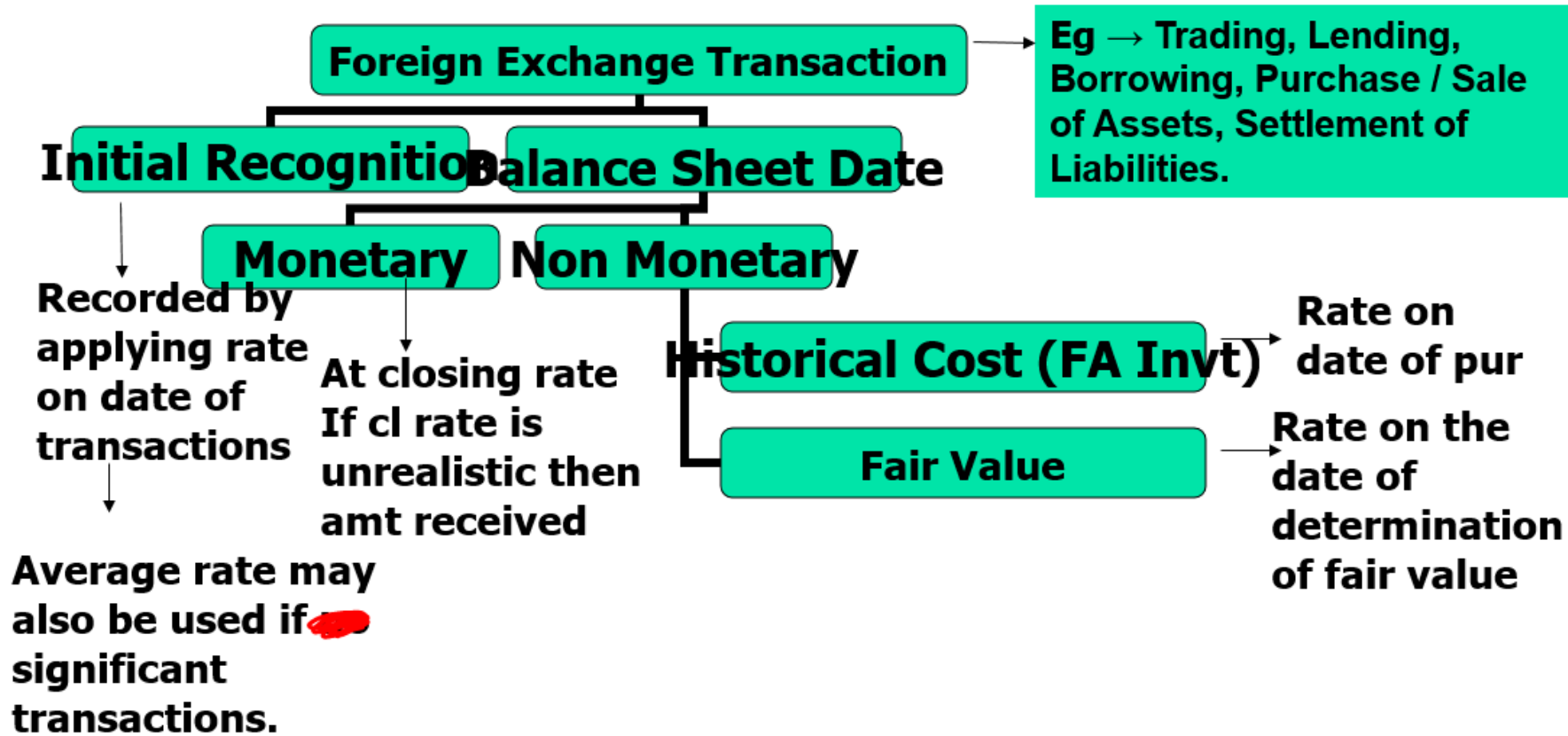
① Foreign Transaction → Exim, lending | Borrowing
Asset purchase.

② Foreign operation → Br, subsidiary, JV, sales
depot

③ Forward Contract : → Hedging (Protecting).
→ Speculative / Business.

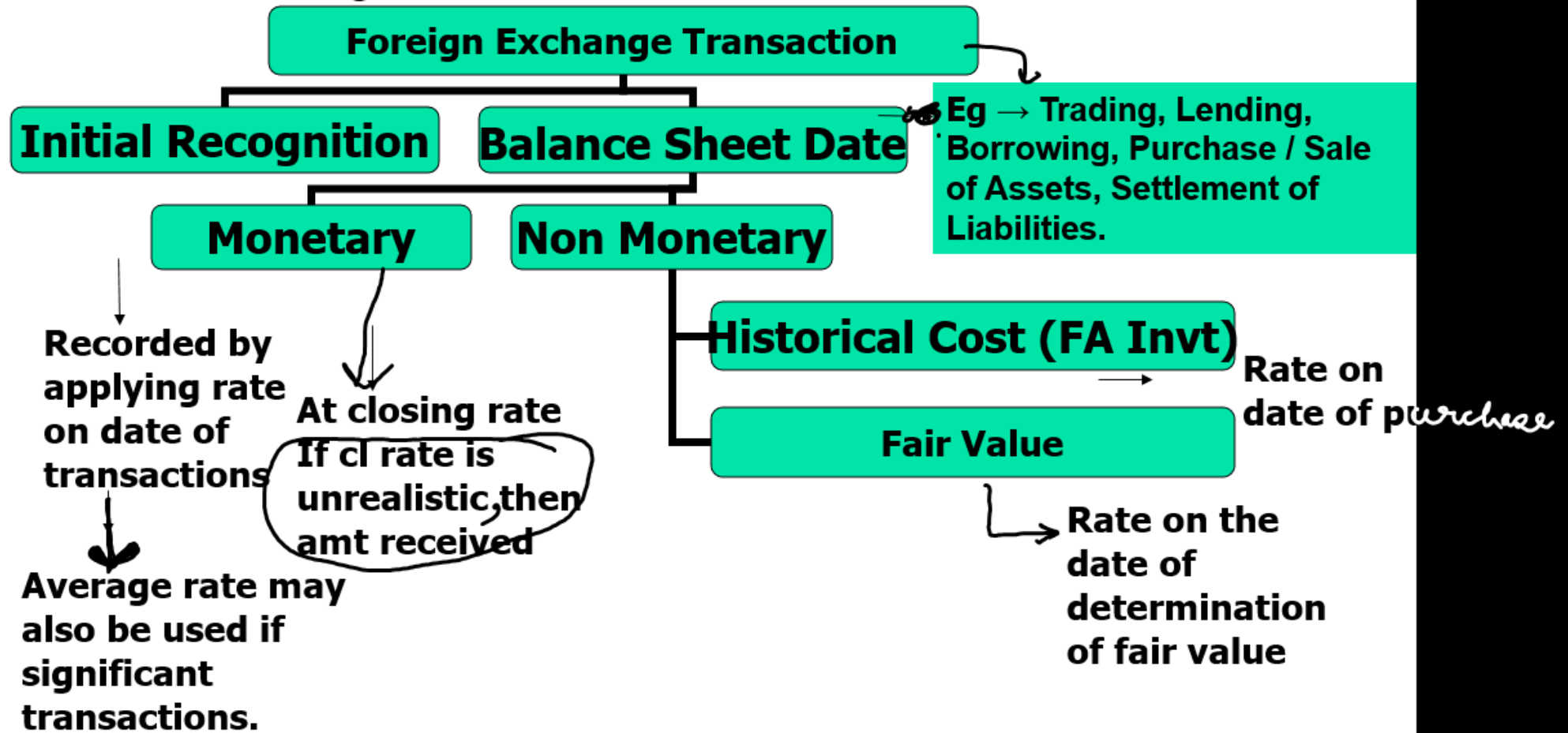
Applicable To

Transaction is foreign currency
Foreign operations
Forward exchange Contracts.



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(John) Debtors a/c

10/9 To Sales 20,00,000
30000 \$ @ 66-67.

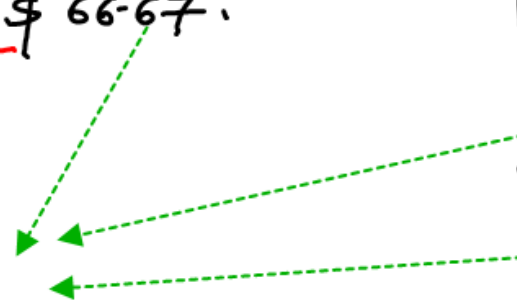
5/11 By Cash - 1235000
19000 \$ @ 65

20/11 By S-return 66500.
1000 \$ @ 66.5

3/13 By balcd. 620000
 10000 \$ x 62 \rightarrow *cl rate*

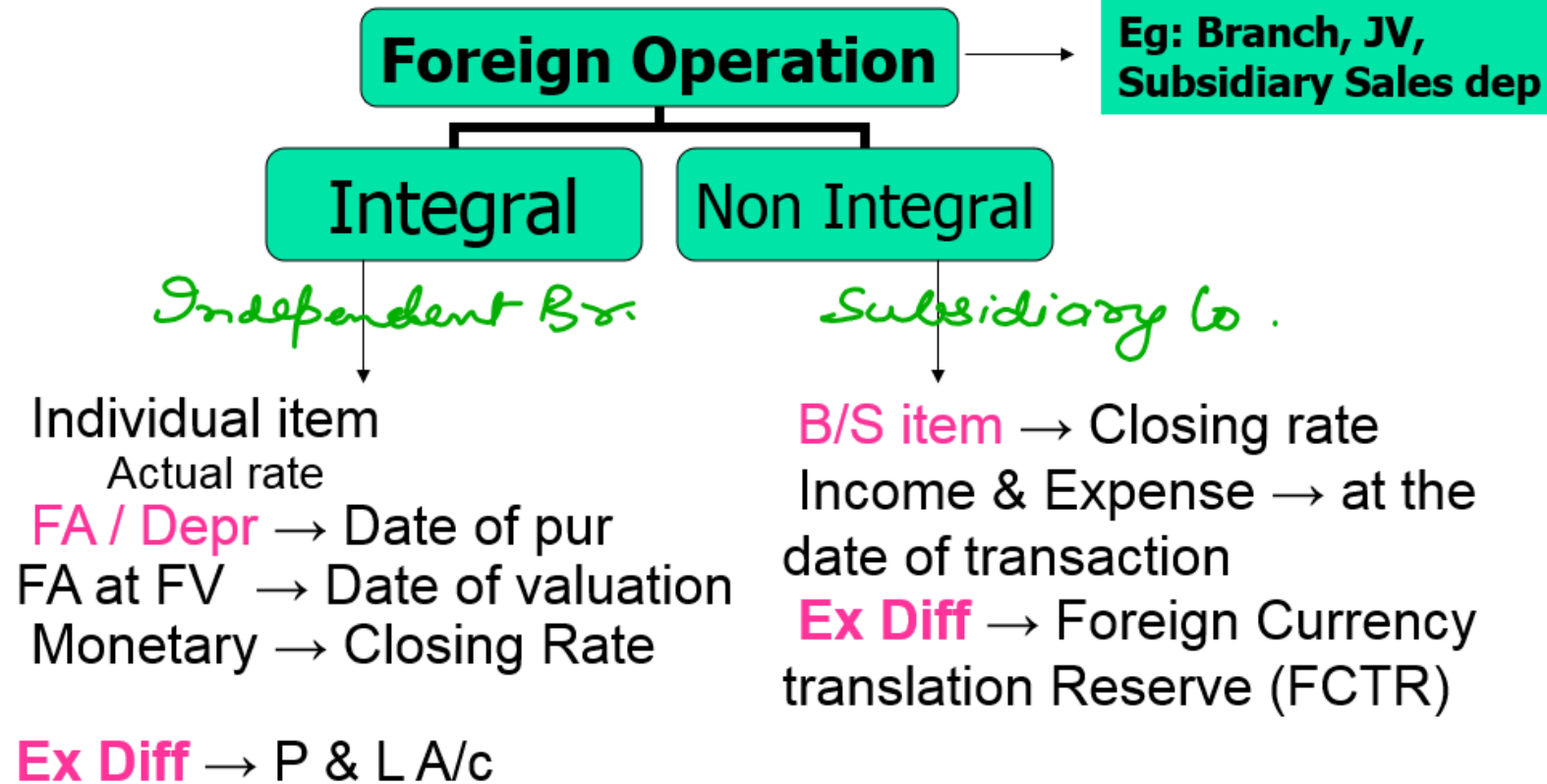
By P&L 78500

Rate on
 date of
 transaction



Contingent Liabilities → Rate on date of Balance Sheet.

Exchange Difference → Taken to P & L



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 Foreign operations
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