Foreign Exchange Rate
(विदेशी विनिमय दर)

Tobin Tax
→ James Tobin
→ It is the tax imposed on Foreign Exchange Transaction.

यह वह दर है जिस पर हम दो देशों की मुद्राओं का विनिमय करते हैं।
(It is the rate at which we exchange the Currencies of Two Countries)

Eg. → $\boxed{\$1 = ₹80}$

It is also called Nominal Exchange Rate (NER)
(इसे नाममात्र विनिमय दर भी कहते हैं)

In India, The Foreign Exchange Market is working under RBI & Comes under FEMA Act, 1999 (Earlier it was called FERA)

1973

Types of Foreign Exchange Rate
(विदेशी विनिमय दर के प्रकार)

- Fixed Exchange Rate System
  (स्थिर विनिमय दर प्रणाली)
- Flexible/Floating Exchange Rate System
  (चर/लचीली विनिमय दर प्रणाली)
- Managed Floating Exchange Rate System
  (प्रबंधनीय लचीला विनिमय दर प्रणाली)

Eg. China ← $\boxed{\text{Fixed Exchange Rate System}}$

[स्थिर विनिमय दर प्रणाली]

$\boxed{\begin{array}{l} \$1 = 40 \text{ gm Gold} \\ £1 = 10 \text{ gm Gold} \end{array}}$

$\Downarrow$

$\boxed{\$1 = £4}$

Also called :-

(a) Gold Bullion Standard

(b) Bretton-Wood System of Exchange

(c) Pegged Exchange Rate

यह विदेशी विनिमय दर प्रणाली का सबसे पुरानी विधि थी।

इस वि. दर प्रणाली में FER → Gold

In this system of Exchange Rate, the govt. has full control on FER determination

Floating / Flexible Exchange Rate System
(चल / लचीली विनिमय दर प्रणाली)

इस विनिमय दर प्रणाली में विनिमय दर बाजार सेनाओं के आधार पर तय होता है।

↳ मांग एवं आपूर्ति

Under this system, the govt. doesn't have any control over FER.

Japan, US, European Union

$\$1 = ₹50$
$\$1 = ₹70$

⇐ [मांग ↑ आयात ↑ आपूर्ति ↓ निर्यात ↓]

⇓

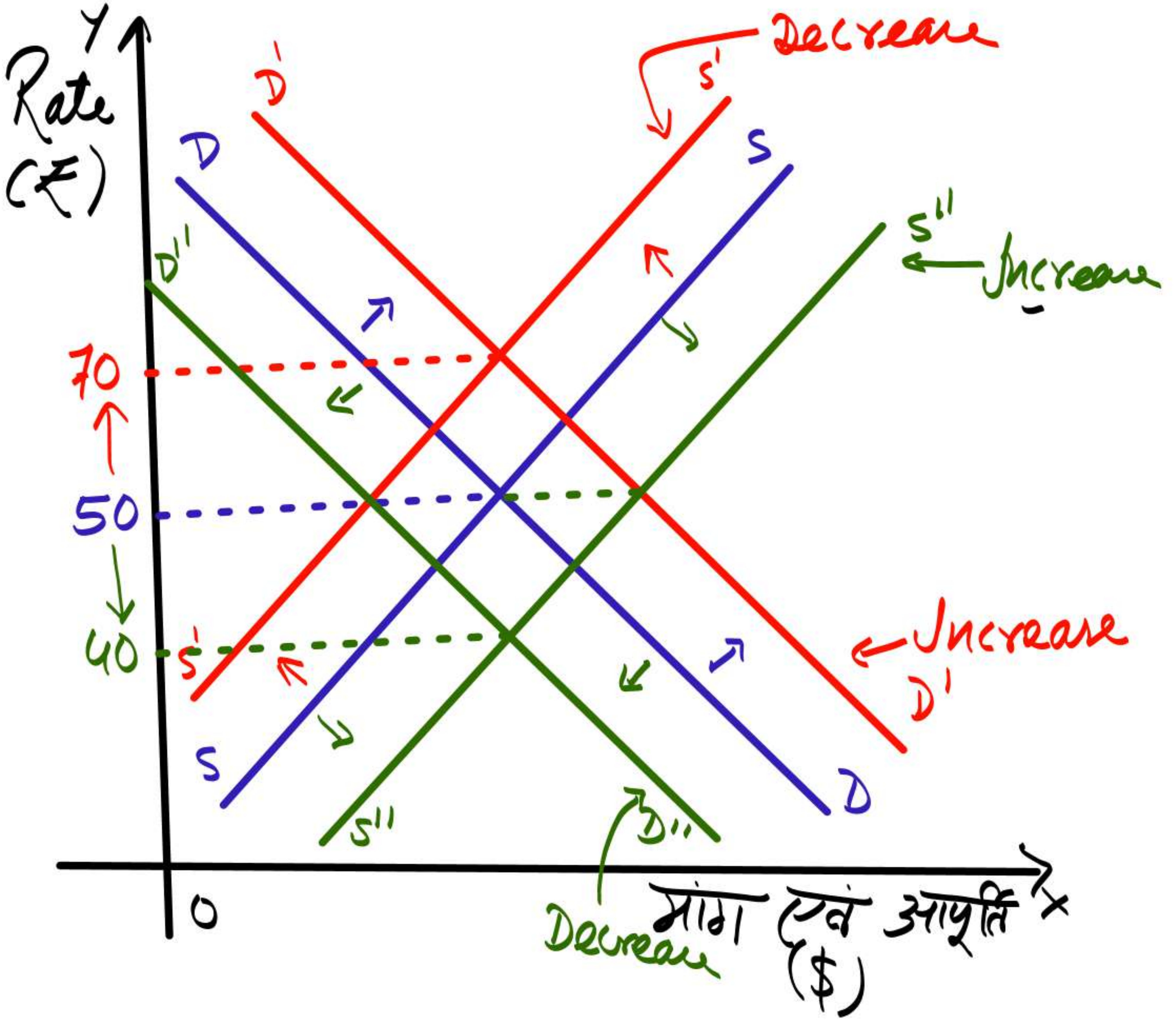
Depreciation of Currency
(मुद्रा का मूल्यह्रास)

$\$1 = ₹50$
$\$1 = ₹40$

⇐ [मांग ↓ आयात ↓ आपूर्ति ↑ निर्यात ↑]

⇓

Appreciation of Currency
(मुद्रा का अधिमूल्यन)



Managed Floating Exchange Rate System
(प्रबंधनीय लचीली विनिमय दर प्रणाली)

\# In India, It started in 1995

\# It is also 'dirty Floating'

\# In this System, FER is based on Market forces but in case of high Volatality in exchange Rate then the Govt./RBI can interven to stablise the Exchange Rate.

\# Sterlization → स्थिरीकरण
→ Depreciation → \$ → Sell → मुक्त बाजार प्रचलन
→ Appreciation → \$ → BUY

Devaluation of Currency
(मुद्रा का अवमूल्यन)

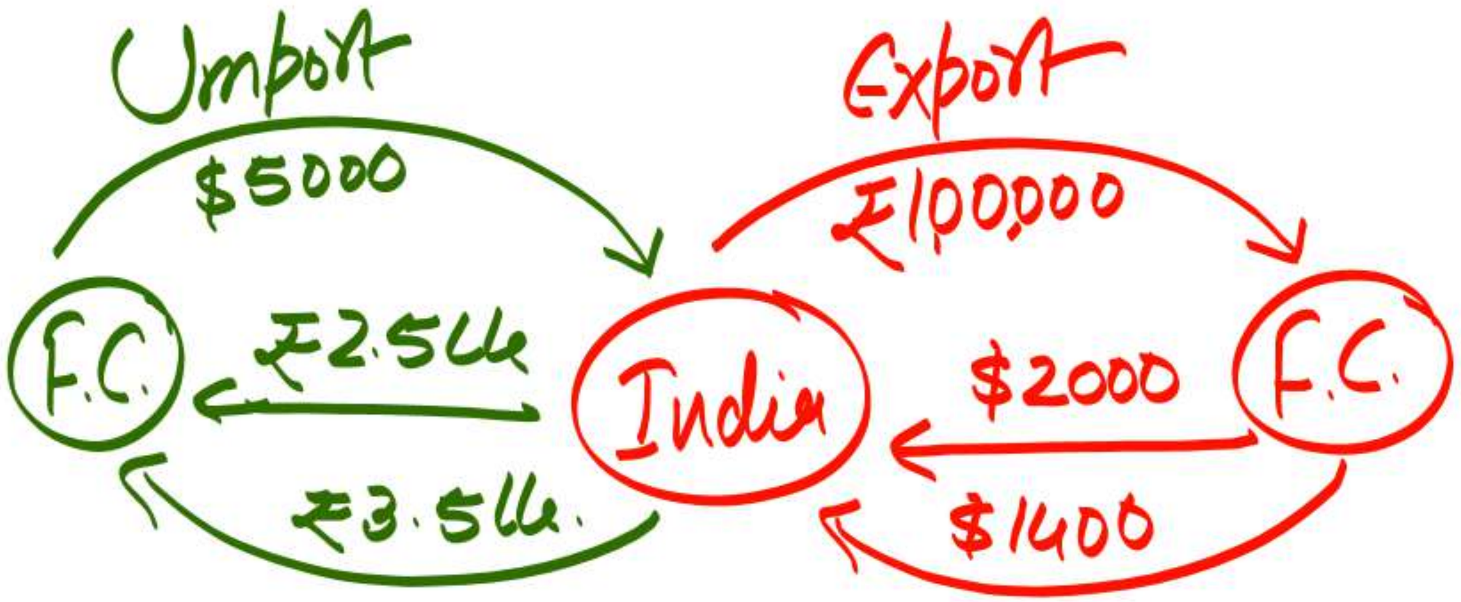
\$1 = ₹50
\$1 = ₹70

When the govt. of any country deliberately \downarrow s the external value of its currency i.e. in relation with the currency of foreign country and the internal value of the currency remains costant.

India doesn't devaluate its currency
(1949, 1966 & 1991 (2 times)

$1 = ₹50
$1 = ₹70

Objectives/Outcome of Devaluation



1. To ↑se the exports.
(निर्यातों को बढ़ाने के लिए)
2. To ↓se the imports↓
[आयातों को कम करने के लिए]
3. To make favourable Balance of Payment (भुगतान संतुलन को अनुकूल बनाने के लिए)
(Ex. > Im)
4. for import substitution.

Fixed Exchange Rate (FERS)

⇓

Devaluation of Currency

↓

China

Flexible Exchange Rate (FERS)

⇓

Depreciation & Appreciation of Currency