



[Glossary]

Factors Affecting Exchange Rates Part - 3

Subject:	Business Economics
Course:	B. A. (Hons.), 6 th Semester, Undergraduate
Paper No. & Title:	Paper – 611 International Finance
Unit No. & Title:	Unit – 4 Factors Affecting Exchange Rates and Exposures
Lecture No. & Title:	Lecture – 3 Factors Affecting Exchange Rates Part-3

Glossary

- **Hedge:** It is an investment to reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security, such as a futures contract.
- **Invoice:** a list of goods sent or services provided, with a statement of the sum due for these; a bill.
- **Joint venture:** a commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
- **Ladding:** The Expected decrease in exchange rates slow down payments, besides normal payments
- **Leading:** An expected increase in exchange rates to speed up the payments, besides normal payments