

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

MCom(IB) DEGREE EXAMINATION MAY 2023  
(Second Semester)

Branch – INTERNATIONAL BUSINESS

**MAJOR ELECTIVE COURSE –I GLOBAL FINANCIAL MANAGEMENT**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 The International Monetary Fund (IMF) was established by an international treaty in \_\_\_\_\_  
(i) 1942                      (ii) 1943                      (iii) 1944                      (iv) 1945
- 2 Balance of Payments is an accounting statement that records monetary transactions between  
(i) Residents of a nation and the rest of the world  
(ii) Non-residents and the rest of the world  
(iii) Residents of a nation and non-residents  
(iv) None of the above
- 3 The world four major trading currencies are all free to float against other. They include all the following except  
(i) The British Pound                      (ii) The Japanese Yen  
(iii) The Spanish Peso                      (iv) The US Dollar
- 4 International Banks facilitate:  
(i) Cross Border Trade and Services                      (ii) Cross Border Investments  
(iii) Cross Border Lending and Borrowing                      (iv) Cross Border buying
- 5 Theory which considers change in exchange rate with fluctuations in inflation rates is classified as  
(i) liquidated power parity                      (ii) Purchasing power parity  
(iii) Selling power parity                      (iv) Volatile power parity

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Determine the role of international monetary system in global financial system.  
OR  
b Explain external commercial borrowings with its features.
- 7 a Analyze the agencies that facilitate international flow of funds.  
OR  
b State the fundamentals of balance of payments.
- 8 a Classify Global depositary receipt and American depositary receipt.  
OR  
b Evaluate the features of international bond markets.

Cont...

- 9 a State the major issues involved in International banking system.  
OR  
b Justify the needs of Asian development Bank.
- 10 a Classify bi-lateral netting and multi-lateral netting.  
OR  
b Discuss about the importance of Euro currency market.

**SECTION -C (30 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

- 11 a Determine the functions and objectives of World Bank.  
OR  
b Analyze the role of international monetary fund in India with its merits.
- 12 a Evaluate the factors affecting international trade and capital flows.  
OR  
b Criticize the advantages and disadvantages of foreign direct investment.
- 13 a Classify the different types of International bond markets.  
OR  
b Elucidate the types of international financial Instruments.
- 14 a Interpret Basel-I, Basel –II and Basel –III standards in banking systems.  
OR  
b Predict the banking reforms in India.
- 15 a Classify various types of exchange rate theories.  
OR  
b Assess the need of international transfer pricing.

Z-Z-Z

END