

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

MCom (IB) DEGREE EXAMINATION MAY 2024  
(Fourth Semester)

Branch – INTERNATIONAL BUSINESS

**FOREIGN EXCHANGE & RISK MANAGEMENT IN  
INTERNATIONAL BUSINESS**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. Under FEMA, the RBI has been authorized to make ——— to carry out the provisions of the act.  
i) Rules  
ii) Regulations  
iii) Both rules and regulations  
iv) Notifications
2. A foreign currency account, maintained by a bank abroad is its  
i) Nostro account  
ii) Vostro account  
iii) Loro account  
iv) Foreign bank account
3. 'Non-Resident Bank Accounts' refer to  
i) Nostro account  
ii) Vostro account  
iii) Accounts opened in offshore centres  
iv) None of the above
4. According to classification by IMF, the currency system of India falls under  
i) Managed floating  
ii) Independently floating  
iii) Crawling peg  
iv) Pegged to basket of currencies
5. The largest foreign exchange market of the world is  
i) Newyork  
ii) London  
iii) Japan  
iv) Swiss

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. a Explain the Nature of foreign exchange.  
OR  
b Classify the Scope of foreign exchange.
- 7 a Discuss the foreign exchange market.  
OR  
b Evaluate the Exchange rate of India.
- 8 a State the Treasury bills.  
OR  
b Differentiate Repurchase and Reverse repurchase.
- 9 a Explain the Interest rate Swaps.  
OR  
b Differentiate between Risk management and control method.
- 10 a Justify the Standard policy.  
OR  
b Discuss the Marine insurance policies.

Cont...

**SECTION -C (30 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** Marks

(5 x 6 = 30)

- 11 a Evaluate the Features of Exchange Markets.  
OR  
b Differentiate between Foreign exchange management and the global environment.
- 12 a Explain the types of buying rate and selling rate.  
OR  
b Enumerate the Forms and types of foreign exchange.
- 13 a Classify the call money market.  
OR  
b Analysis of the Market regulation of the money market and clearing houses.
- 14 a Categorize by the types of Risk.  
OR  
b Enumerate by the risk financing techniques.
- 15 a Evaluate the function of ECGC.  
OR  
b Assess the Overseas investment insurance.

Z-Z-Z

END