

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION MAY 2025
(Fifth Semester)**

Branch – COMMERCE (ACCOUNTING & FINANCE)

MAJOR ELECTIVE COURSE – I : GLOBAL BUSINESS FINANCE

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. Which of the following is a fundamental concept of global business finance?
 - i) Domestic pricing strategies
 - ii) Currency risk management
 - iii) Local tax policies
 - iv) National trade regulations
2. Which institution primarily assists in providing loans and grants to developing countries for development projects?
 - i) International Monetary Fund
 - ii) EXIM Bank
 - iii) World Bank
 - iv) Global Depository Receipts
3. What is a key feature of Foreign Direct Investment (FDI)?
 - i) Short-term capital movement
 - ii) Active control and management of foreign assets
 - iii) Purchase of foreign stocks and bonds
 - iv) No impact on local employment
4. What is a primary purpose of packing credit in export finance?
 - i) Financing post-shipment activities
 - ii) Funding the production and packing of goods before shipment
 - iii) Providing short-term loans for operational expenses
 - iv) Covering foreign exchange risks
5. What is a key form of payment in international trade where a bank guarantees the payment to the seller?
 - i) Letter of credit
 - ii) Bill of exchange
 - iii) Documentary collection
 - iv) Open account

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. a) Develop the concepts about Global Business Finance.
(OR)
b) Show the major challenges in Global Business Finance.
7. a) Explain the foreign currency convertible bonds.
(OR)
b) Narrate the role of International Monetary Fund.
8. a) State the importance of Foreign Direct Investment.
(OR)
b) Out line the Foreign Indirect Investment.
9. a) Describe the eligibility of export finance.
(OR)
b) Justify the import financing agencies in India.
10. a) Infer any two sources of trade finance.
(OR)
b) Explain different types of factoring.

Cont...

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks

(3 x 10 = 30)

11. Explain the Global Business Finance services and its implications.
12. Examine the functions of World Bank.
13. Analyze the advantages and disadvantages of Foreign Direct Investment.
14. Examine the Pre and Post shipment credit in foreign currency.
15. Discuss the documentation and procedure for trade payments.

Z-Z-Z

END