

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2025
(Sixth Semester)

Branch – COMMERCE (BANKING & INSURANCE)

BANKING AND INTERNATIONAL FINANCE

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. What is the primary function of international banks?
(i) Providing retail banking services
(ii) Facilitating international trade and finance
(iii) Managing government budget
(iv) Offering investment advisory services
2. International Bank for Reconstruction and Development (IBRD) is popularly known as _____.
(i) Central Bank of the country (ii) International Monetary
(iii) World Bank (iv) Banker's Banker
3. The term Loro account means
(i) Our Account with you (ii) Your account with us
(iii) Their account with you (iv) Local Current Account
4. Balance of Payments uses the _____ system of accounting.
(i) Single-entry (ii) Double-entry
(iii) Cash basis (iv) Accrual basis
5. The acronym SWIFT stands for _____.
(i) Safety Width in Financial Transaction
(ii) Society for Worldwide International Financial Telecommunication
(iii) Society for Worldwide Interbank Financial Telecommunication
(iv) Swift Worldwide Information for Financial Transaction

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Explain the benefits of International Banking.
OR
b Explain the types of Cross border financing.
- 7 a State the goals of International Financial Institutions.
OR
b State the Functions of Bank for International Settlements (BIS).
- 8 a Explain the factors Influencing the Foreign Exchange Market.
OR
b Write short notes on Nostro Account, Vostro Account and Loro Account.
- 9 a State the advantages of Fixed Exchange Rate System.
OR
b Bring out the difference between Balance of Trade and Balance of Payment.

Cont...

- 10 a Summarise the Participants of Foreign Exchange Market.
OR
b Explain the Concepts CHIPS and CHAPS payment.

SECTION -C (30 Marks)

Answer any Three questions

ALL questions carry EQUAL Marks

(3 x 10 = 30)

- 11 Discuss the Evolution of International Banking in India.
12 Elucidate the objectives and Functions of WTO.
13 Enumerate the Administrative set up of Foreign Exchange in India.
14 Classify the various types of exchange rates.
15 Summarize the salient features of Foreign Exchange Market.

Z-Z-Z

END