# PSG COLLEGE OF ARTS & SCIENCE (AUTONOMOUS)

### MCom (IB) DEGREE EXAMINATION MAY 2025

(Second Semester)

### **Branch - INTERNATIONAL BUSINESS**

### MAJOR ELECTIVE COURSE - I: GLOBAL FINANCIAL MANAGEMENT

Time: Three Hours

Maximum: 75 Marks

#### SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

 $(10 \times 1 = 10)$ 

Question	Question	K Level	СО
No.	What is the Bretton Woods System?		
	What is the Bretton woods bystom:		
	<ul><li>a) A global free trade agreement</li><li>b) A fixed exchange rate system established after World War II</li></ul>	K1	COI
1 .	b) A fixed exchange fale system established unto	. !	
	c) A new form of gold standard		
	d) A system that introduced floating exchange rates		
2	Special Drawing Rights (SDR) are issued by: b) The Federal Reserve	K1	COI
	1 8) THE WOLLD DAILE		
	C) THE INCOMMENDED INCOME.		
	Balance of Payments (BoP) refers to:	ļ	
3	a) The amount of money a country owes to other countries		۵۵.
	b) The record of all economic transactions between a country and the rest of	K2 -	CO
	the world	ļ ·	<b> </b>
·	c) The net exports and imports of a country		
	d) The budgetary deficit of a country	<del> </del> -	
	Which of the following is NOT a Foreign Direct Investment (FDI) form?	K1	co
· <b>4</b>	a) Mergers and acquisitions b) Greenfield investments	18.1	00.
	c) Foreign portfolio investments d) Joint ventures	<del> </del> -	<del> </del> -
	GDR and ADR stand for:	ļ.	
	a) Global Development Resources and Asian Development Reserves	K2	CO
5	b) General Development Rights and Allocated Debt Reserves		
	c) Global Depository Receipts and American Depository Receipts	}	
•	d) Global Debt Restructuring and American Debt Refinancing	<del> </del>	<del> </del>
	A zero-coupon bond is a bond that:		
	a) Pays interest annually	77.1	
6	h) Pays interest semi-annually	K1	CO
	c) Does not pay periodic interest but is issued at a discount	1	1
	d) Pays dividends instead of interest	<del></del>	<del>├</del>
	Which of the following is a feature of BASEL III regulations?	1	ŀ
	a) Higher capital requirements for banks		
7	b) Deregulation of global financial markets	K2	CO
•	c) Fixed interest rates for all loans		
	d) Elimination of reserve requirements	<u> </u>	<b>↓</b>
	The European Monetary Union is responsible for:	ļ	
	a) The introduction of the Euro currency	K2	со
8	b) Facilitating international trade in Europe		
0	c) Regulating stock exchanges across Europe	1	
	d) Creating a free trade area in Europe		<u> </u>
	Developing Power Parity (PPP) refers to:	]	1
	a) The theory that exchange rates should adjust to equalize the price of goods	1	}
	across countries	K1	$\int \mathbf{c} \mathbf{c}$
9.	b) The difference between inflation rates of two countries	12.1	~
-	c) The method used to calculate currency conversion fees		ł
	d) A formula for determining the optimal exchange rate	<u> </u>	ļ
	A Firmhand is:		-
	A Eurobond is:		
	A Eurobond is:	K1	CC
10	A Furnhond is:	K1	CO

# SECTION - B (35 Marks) Answer ALL questions

ALL questions carry EQUAL Marks

 $(5\times7=35)$ 

Question No.	Question	K Level	СО
11.a.	Construct the structure of the International Monetary System and its evolution.	K3	CO2
	(OR)	1	
11.b.	Develop the role and functions of the International Monetary Fund (IMF).	K3	CO2
12.a.	Illustrate the causes and effects of the disequilibrium of the balance of payments.	К3	CO2
	(OR)	1	
12.b.	Build the factors affecting capital account convertibility in India.	K3	CO2
13.a.	Compare GDRs and ADRs in international financial markets.	K4	CO3
	(OR)		
13.b.	Discover the role of international bond markets in global finance.	K4	CO3
14.a.	Categorize the key features of BASEL III norms? Explain their impact on global banking.	K4	CO4
	(OR)	1	İ
14.b.	Make a note of the role of the Federal Reserve System in international banking.	K4	CO4
15.a.	Estimate the concept of leads and lags in international cash management.	K5	CO5
	(OR)	- 1	
15.b.	Evaluate the role of Euro currency markets in global finance.	K5	CO5

# SECTION -C (30 Marks) Answer ANY THREE questions

ALL questions carry EQUAL Marks

 $(3 \times 10 = 30)$ 

Question No.	Question	K Level	СО
16	Analyze the role of the World Bank in promoting global financial stability.	K4	CO4
17	Explain how international trade influences the Balance of Payments (BoP) and provide examples from India's trade policy.	K5	CO2
18	Evaluate the significance of cross-listing of shares and its impact on global financial markets.	K4	CO3
19	Critically discuss the role of the Asian Development Bank in regional financial integration.	K5	CO4
20	Examine the relevance of interest rate parity in international financial management.	K4	CO5