

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom(1B) DEGREE EXAMINATION DECEMBER 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 × 1 = 10)

Question No.	Question	K Level	CO
1	The Bretton Woods system collapsed in _____ a) 1930 b) 1944 c) 1971 d) 1980	K1	CO1
2	Special Drawing Rights (SDRs) are issued by _____ a) World Bank b) IMF c) ADB d) WTO	K2	CO1
3	A country is said to have a trade deficit when _____ a) Exports > Imports b) Imports > Exports c) Exports = Imports d) FDI inflows are high	K1	CO2
4	The Fundamentals of BoP include _____ a) Current account, capital account, official reserve account b) Only exports and imports c) Currency reserves alone d) Government expenditure	K2	CO2
5	Cross-listing of shares refers to _____ a) Listing of shares in more than one stock exchange b) Buying shares across industries c) Listing of bonds in equity markets d) Government approval of share issues	K1	CO3
6	Zero-Coupon Bonds (ZCBs) are _____ a) Bonds that pay interest semi-annually b) Bonds issued at discount and redeemed at face value c) Bonds with floating interest rates d) Bonds that never mature	K2	CO3
7	The Federal Reserve System is the central bank of _____ a) United Kingdom b) United States c) Japan d) Germany	K1	CO4
8	The Asian Development Bank (ADB) was established in _____ a) 1944 b) 1966 c) 1971 d) 1991	K2	CO4
9	Purchasing Power Parity (PPP) theory is related to _____ a) Interest rates b) Exchange rates based on price levels c) Inflation targeting d) Capital account convertibility	K1	CO5
10	The Fisher Effect (IFE) relates to _____ a) The effect of taxation on investment b) Relationship between nominal interest rate, real interest rate, and inflation c) Exchange rate fluctuations only d) Banking liquidity	K2	CO5

Cont...

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

 $(5 \times 7 = 35)$

Question No.	Question	K Level	CO
11.a.	Explain the key features of the Bretton Woods System.	K2	CO1
	(OR)		
11.b.	Summarize the role of International Monetary Fund in promoting international trade.	K2	CO2
12.a.	Infer the concept of Equilibrium and disequilibrium in Balance of Payments.		
	(OR)	K2	CO2
12.b.	Discuss the factors affecting international trade.		
13.a.	Differentiate between ADR and GDR.	K2	CO3
	(OR)		
13.b.	Describe the role of International Equity Market in raising capital.	K3	CO4
14.a.	Classify the major functions of the Federal Reserve System.		
	(OR)	K3	CO4
14.b.	Construct the main features of the Basel III Accord.		
15.a.	Explain the objective of a Double Taxation Avoidance Agreement (DTAA).	K3	CO5
	(OR)		
15.b.	Apply the role of SWIFT in international banking transactions.		

SECTION - C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

 $(3 \times 10 = 30)$

Question No.	Question	K Level	CO
16	Analyze the advantages and disadvantages of a flexible exchange rate regime.	K4	CO1
17	Discuss the factors affecting international trade and capital flows.	K4	CO2
18	Elaborate the role of Foreign Portfolio Investment in global equity markets.	K4	CO3
19	Elucidate the structure of the commercial banking system in Japan and India.	K5	CO4
20	Determine the role of international debt markets in global trade financing.	K5	CO5