23AFU521N

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2026
(Fifth Semester)

Branch – **COMMERCE (ACCOUNTING & FINANCE)**

MAJOR ELECTIVE COURSE – I: GLOBAL BUSINESS FINANCE

Time: Three Hours Maximum: 75 Marks

SECTION-A (10 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** marks (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Which is a major challenge in global business finance? a) Uniform tax rates b) Exchange rate fluctuations c) Standard accounting d) Uniform labor laws	K2	CO1
	2	Which theory supports diversification of investments globally? a) Agency theory b) Portfolio theory c) Trade-off theory d) Equity theory	K2	CO1
2	3	American Depository Receipts are traded in: a) London Stock Exchange b) NYSE c) Tokyo Exchange d) Indian Stock Exchange	K1	CO2
	4	IMF mainly assists countries with: a) Trade policies b) Balance of Payments crisis c) FDI promotion d) Currency printing	K1	CO2
3	5	A major difference between FDI and FII is: a) FDI involves currency exchange b) FDI is short-term c) FII involves portfolio investment d) FII requires government approval	K2	CO3
	6	FII investors mostly invest in: a) Physical assets b) Infrastructure c) Company shares and bonds d) Land	K2	CO3
4	7	Pre-shipment credit is provided: a) After goods are shipped b) Before goods are shipped c) Only to importers d) To banks only	K2	CO4
	8	Which agency provides refinancing to banks for export finance in India? a) RBI b) SIDBI c) ECGC d) EXIM Bank	K2	CO4
5	9	Which of the following is a short-term credit instrument used in foreign trade? a) Letter of Credit b) Forfaiting c) Banker's Acceptance d) Corporate Bond	K1	CO5
	10	Forfaiting is best suited for: a) Long-term trade receivables b) Daily trading c) Venture capital d) Imports only	K2	CO5

Cont...

SECTION - B (35 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Explain the challenges of financing multinational corporations.	K2	CO1
		(OR)		
	11.b.	Explain the various sources of global finance available to firms.		
2	12.a.	Describe the objectives and functions of the International Monetary Fund (IMF).	K2	CO2
		(OR)		
	12.b.	What is the significance of EXIM Bank in India's export-import operations?		
3	13.a.	What are the possible negative effects of FII on domestic capital markets?	K3	CO3
		(OR)		
	13.b.	Explain how FDI helps in technology and knowledge transfer.		
4	14.a.	Describe the process of availing post-shipment finance in India.	K3	CO4
		(OR)		
	14.b.	Explain the working of a Letter of Credit and its role in export finance.		
5	15.a.	What are the essential documents required for export payment processing?	K3	CO5
		(OR)		
	15.b.	Explain the procedure involved in advance payment and its risks.		

SECTION -C (30 Marks)

Answer **ANY THREE** questions

ALL questions carry **EQUAL** Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16.	Determine the role of technology in transforming global business finance services.	K3	CO1
2	17	Customize the ADRs and GDRs in terms of issuance, trading, advantages, and regulations.	K3	CO2
3	18	Examine the exit strategy risks associated with Foreign Institutional Investors.	K3	CO3
4	19	Illustrate the step-by-step process of import financing with focus on documentation and timelines.	K3	CO4
5	20	Determine the risk management techniques in various forms of foreign trade payments.	K3	CO5

Z-Z-Z END