

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

**BCom DEGREE EXAMINATION MAY 2022**

(Sixth Semester)

Branch – **COMMERCE (BANKING & INSURANCE)**

**BANKING & INTERNATIONAL FINANCE**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks (10 x 1 = 10)

1. Indias' Foreign exchange rate system is
 

i) Fixed	(ii) Free float
(iii) Managed Float	(iv) Fixed target of bond
2. Largest foreign market in the world
 

i) Tokyo	(ii) London
(iii) New York	(iv) Japan
3. More instability in the currency is known as
 

i) County risk	(ii) Financial risk
(ii) Currency risk	(iv) Liquidity risk
4. Exchange rate entale delivery of trade currency within two business days is known as
 

i) Forward rate	(ii) Future rate
(iii) Spot rate	(iv) Bid rate
5. International capital market means
 

i) Innovative financial instruments	(ii) Information technology
(iii) Deregulation	(iv) Foreign exchange rate
6. A simultaneous purchase and sale of foreign exchange for two dates
 

(i) Currency devalue	(ii) Currency swap
(iii) Currency evaluation	(iv) Currency Exchange
7. Which of the following helps to meet deficit in balance of payment
 

(i) IMF	(ii) WTO	(iii) World Bank	(iv) UNO
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8. The impact of foreign exchange rate on a firm is called as
 

(i) Operating exposure	(ii) Transaction exposure
(iii) Translation exposure	(iv) Business risk
9. LIBOR refers to
 

(i) London Interest Bond Offshore Rate	(ii) London Inter Bank Offered Rate
(iii) London Inter for Bank offering Rate	(iv) London International Bank offered Rate
10. Foreign currency forward market is
 

(i ) Unorganised listed market	(ii) Organised listed market
(iii) Organised market without trading	
(iv) An Over-the-counter Unorganised Market	

**SECTION - B (35 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5 x 7 = 35)

11 a) Write a note on International Finance centers.

OR

b) Explain briefly the nature of International Bank.

12 a) Explain the NRI accounts and its types.

OR

**Cont...**

b) What are the functions of EXIM Bank?

13 a) Give a brief note on Foreign Exchange.

OR

b) Explain the administrative setup of Foreign Exchange.

14 a) What are the factors influencing the exchange rates?

OR

b) Discuss briefly the classification of external value of rupee.

15 a) Explain the features of foreign exchange markets

OR

b) Write a note on settlement of transactions.

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

**ALL** Questions Carry **EQUAL** Marks

(3 x 10 = 30)

16. Highlight the evolution of International Banking in India.

17. Discuss in detail the functions of IBRD.

18. Elaborate the functions of foreign exchange department.

19. Elucidate the concept of Balance of Payment

20. Explain the different types of transactions.

Z-Z-Z

END