

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2022
(Sixth Semester)

Branch – COMMERCE (FOREIGN TRADE)

INTERNATIONAL BANKING AND FOREX MANAGEMENT

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

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

1. International Banks facilitate:
 - (i) Cross Border Trade and Services
 - (ii) Cross Border Investments
 - (iii) Cross Border Lending and Borrowing
 - (iv) Cross Border buying
2. IFC established in ...
 - (i) 20th July 1956
 - (ii) 17th Oct 1956
 - (iii) 7th Sept. 1956
 - (iv) 9th Dec. 1956
3. GATT means
 - (i) General arguments for terms and tariff
 - (ii) General Agreement for terms and tariff
 - (iii) General Agreement for trade and tariff
 - (iv) General Agreement for transaction for trade
4. WTO Started in the year of
 - (i) 1989
 - (ii) 1995
 - (iii) 1996
 - (iv) 2002
5. Gold currency standard mean
 - (i) It is a Piece of paper like money to purchase gold
 - (ii) It is a Piece of paper like money to purchase share
 - (iii) It is a Piece of paper directly linked with Gold
 - (iv) it is a piece of paper used to buy goods and services
6. Floating charge rate is determined by
 - (i) Market constitutions between countries
 - (ii) Banking system
 - (iii) Market Forces
 - (iv) None of the above
7. A foreign exchange risk involves the transaction exposure, the accounting exposure and
 - (i) the translation exposure
 - (ii) the flexibility exposure
 - (iii) the rigidity exposure
 - (iv) the economic exposure
8. Hedging transactions indicated by
 - (i) Transactions in odd amount
 - (ii) Presentation of documentary support
 - (iii) Frequency of such transactions
 - (iv) None of the above
9. The foreign exchange market
 - (i) is organised as an over-the-counter market in which several hundred dealers stand ready to buy and sell deposits denominated in foreign currencies
 - (ii) is very competitive
 - (iii) Functions no differently from a centralized market
 - (iv) All the above
10. The forward exchange rate is ____
 - (i) is the rate today for exchanging one currency for another for immediate delivery
 - (ii) is the rate today for exchanging one currency for another at a specific future date
 - (iii) is the rate today for exchanging one currency for another at a specific location on a specific future date
 - (iv) is the rate today for exchanging one currency for another at a specific location for immediate delivery

SECTION - B (35 Marks)

Answer ALL Questions

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

11. a) Explain International Banking and its Objectives

(OR)

Cont...

- b) Bring out the role of IMF in International Liquidity1.
12. a) Produce the Benefits of Exim Bank.
(OR)
b) Narrate the contribution of WTO to India.
13. a) Explain the European Monetary system.
(OR)
b) Differentiate Convertible and Non-Convertible currency.
14. a) Explain the various approaches to manage risk.
(OR)
b) Differentiate forward contracts and future contracts.
15. a) How to determine exchange rates? Explain.
(OR)
b) Describe buying rates and its types

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

16. Briefly explain the various functions of World Bank.
17. Enumerate Export Finance and its Source.
18. Describe Gold currency standard and its merits and demerits.
19. Explain various types of foreign exchange risk.
20. Classify the various types of Foreign exchange markets.

Z-Z-Z

END