

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2023  
(Sixth Semester)

Branch – COMMERCE (FOREIGN TRADE)

**INTERNATIONAL BANKING & 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 The International Bank for Reconstruction and Development is also known as  
(i) World Bank (ii) International Monetary fund  
(iii) World Trade Organisation (iv) None of the above
- 2 The purpose of IMF is to  
(i) To promote international monetary cooperation  
(ii) To facilitate the expansion and balanced growth of international trade  
(iii) To promote exchange stability  
(iv) All of the above
- 3 Due to depression of domestic currency  
(i) Export rise (ii) Import rise (iii) Export falls (iv) Import falls
- 4 EXIM Bank was established in  
(i) 1982 (ii) 1956 (iii) 1995 (iv) 2000
- 5 Fixed exchange rates is fixed by the government is terms of \_\_\_\_\_  
(i) Currency (ii) Gold Reserve (iii) Fixed assets (iv) All of these
- 6 Indian foreign exchange rate system is?  
(i) Free float (ii) Managed float  
(iii) Fixed (iv) Fixed target of brands
- 7 Exchange rate are determined in  
(i) The money market (ii) Foreign exchange market  
(iii) Stock market (iv) Capital market
- 8 The exchange rate is  
(i) Price of one currency relative to sold  
(ii) The value of currency relative to inflation  
(iii) The change in the value of money over time  
(iv) The price of the one currency relative to another
- 9 Foreign exchange refers to  
(i) The price of one currency in terms of gold in the domestic market.  
(ii) The price of one currency determined by the government of other country.  
(iii) The price of one currency in relation to other currencies in the international money market.  
(iv) The price of one currency in terms of stock of gold in IMF.
- 10 Exchange margin enters into the bills selling rate  
(i) One time only (ii) Twice  
(iii) Three times (iv) More than three times

**SECTION - B (35 Marks)**

Answer ALL Questions

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

11. a) What are the objectives of International Banking ?  
OR  
b) Explain various financial institutions under World Bank.
12. a) Bring out the importance of Exim bank.  
OR  
b) Write brief note on 'Portfolio Management'.
13. a) Identify the problems in foreign exchange in India?  
OR  
b) Differentiate European Monetary system and Indian Monetary System.
14. a) Classify the various types of foreign exchange risk.  
OR  
b) Explain derivatives and its types.
15. a) How to determine forward rates?  
OR  
b) Describe Selling 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 IMF.
17. Briefly Explain: a) GATS b) GATT
18. What is foreign exchange rate? How it is determined? Analyse the factors that determine foreign exchange rate?
19. Point out the theories of Exchange rate.
20. Explain FEMA act. Also list out the Regulations for foreign exchange.

Z-Z-Z

END