PSG COLLEGE OF ARTS & SCIENCE (AUTONOMOUS)

MCom(IB) DEGREE EXAMINATION MAY 2024

(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

 $(10 \times 1 = 10)$

Module No.	Question No.	Question	K Level	CO
1	1	Which of the following are the basic objectives of the World Bank? a) To provide social services b) To promote economic growth c) To provide financial assistance d) To eradicate poverty	K1	CO1
	2	What does a pegged exchange rate system mean? a) The exchange rate is pegged at a particular level b) The exchange rate is determined by the forces of market demand and supply c) The exchange rate is fixed by the bank consortium d) The exchange rate is fixed by Govt together with private players	К2	CO1
2	3	The sum of total inflow and outflow of capital that directly affect a nation's foreign assets and liabilities. a) Capital account b) Payment of merchandise and service c) Transfer payments d) Factor income payments	K1	CO2
	4	Balance of trade is the a) Difference between export and import of services b) Total of export and import of services c) difference between export and import of goods d) Total of export and import of goods	K2	CO2
3	5	Which one of the following is a means to sell and buy shares of a foreign company without opening a brokerage (demat) account? a) Special Drawing Rights (SDR) b) Indian Depository Receipt (IDR) c) Global Depository Receipt (GDR) d) Event Data Recorder (EDR)	K1	CO3
	. 6	Bonds issued simultaneously in several global financial centers for a) Domestic Bond b) Foreign bond c) Global Bond d) Euro Bond	K2	CO3
4	7	In which year did BASEL-III guidelines were released by BCBS? a)2005 b) 2008 c)2010 d) 2012	K1	CO4
	8	The acronym SWIFT stands for — a) Safety Width in Financial Transactions b) Society for Worldwide International Financial Telecommunication c) Society for Worldwide Interbank Financial Telecommunication d) Swift Worldwide Information for Financial Transactions	K2	CO4

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5	9	The required reserve ratio is a percentage of that a bank must hold at the Federal Reserve Bank or in bank vaults. a) Transactions b) Deposits c) money d) All of these	K1	CO5
5	10	According to the Purchasing Power Parity theory, the value of a currency should remain constant in terms of what it can buy in different countries of a) Bonds b)Stocks c) Goods d) Labor	K2	CO5

SECTION - B (35 Marks) Answer ALL questions

ALL questions carry EQUAL Marks

 $(5\times7=35)$

Module No.	Question No.	Question	K Level	со
1	11.a.	Why was the fixed rate system replaced by the floating exchange rate system? Construct inferences.		
	(OR)		K3	CO1
	11.b.	Organize the functions of the World Bank.		
	12.a.	Analyze of the convertibility of the current account in India.		
2	<u> </u>	. (OR) K4		CO2
_	12.b.	Define FDI. Discover the government measures to increase FDI in India.		
	13.a.	Evaluate the factors affecting International Portfolio Investment.	K5	CO3
3	(OR)			
	13.b.	Distinguish the pros and cons of zero-coupon bonds.	<u> </u>	
4	14.a.	Examine the objectives, roles, and responsibilities of the Asian Development Bank.		CO4
		(OR)	K4	
	14.b.	Discover the history and organizational structure of the European Monetary Union.		
5	15.a.	Construct the objectives and challenges of international cash management.	K3	CO5
	(OR)		_ ^	
	15.b.	Utilize the term PPP. Explain the significance of PPP.		<u> </u>

SECTION -C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

 $(3 \times 10 = 30)$

Module No.	Question No.	Question	K Level	CO
1	16	Discover how the international monetary system evolved through various stages.	K4	CO1
2	17	Discover the factors affecting international trade and explain the trend of capital flow.	K4	CO2
3	18	Evaluate the benefits and risks involved in investing in international bonds.	K5	CO3
4	19	Interpret the major banking sector reforms in India in 1991.	K5	CO4
5	20	Analyze the various types of Euro currency markets and their important uses.	K4	CO5