

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2024
(Sixth Semester)

Branch – COMMERCE (BANKING & INSURANCE)

BANKING AND INTERNATIONAL FINANCE

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

- 1 Which term refers to financial markets located outside the participant's home country jurisdiction?
(i) Local markets (ii) Off shore markets
(iii) Domestic markets (iv) On shore markets
- 2 The organization that provides a forum for governments to negotiate trade agreements, settle disputes, and facilitate international trade is:
(i) International Finance Corporation (IFC)
(ii) Bank for International Settlements (BIS)
(iii) Export-Import Bank (EXIM Bank)
(iv) World Trade Organization (WTO)
- 3 When did the modern forex market begin to take shape?
(i) 18th century (ii) 19th century
(iii) 20th century (iv) 21st century
- 4 In a fixed exchange rate system, how is the value of a currency determined?
(i) By market forces (ii) Through government intervention
(iii) Based on supply and demand (iv) Independently of any external factors
- 5 The role of CHIPS in the Foreign Exchange Market is _____.
(i) Clearing and settling interbank transactions
(ii) Facilitating speculative trading
(iii) Providing real-time currency quotes
(iv) Regulating currency exchanges

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a Explain the nature of International Banks.
OR
b Define cross-border finance and elaborate on its significance.
- 7 a Analyze the roles played by the Bank for International Settlements (BIS).
OR
b What do you understand by NRI accounts? Explain its types.
- 8 a Trace out the history of Foreign Exchange.
OR
b Briefly describe the concept of Foreign Exchange Currency Accounts.
- 9 a Compare and contrast fixed and floating exchange rate systems.
OR
b Identify the main components of the Balance of Payments.

Cont...

10 a List out the role of arbitrageurs in maintaining efficiency in the Foreign Exchange Market.

OR

b Briefly explain the concept of Non-Deliverable Forward (NDF) Transactions.

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

11 a Trace the historical evolution of international banking from ancient times to the present day.

OR

b Define International Finance Centers (IFCs) and their role in the global financial system.

12 a Discuss the important functions of IMF and IBRD.

OR

b Identify the various types of Foreign Currency Accounts.

13 a Explore the administrative Setup of Foreign Exchange.

OR

b Provide the functions of Foreign Exchange Department.

14 a List and explain five key factors that influence exchange rates in the Foreign Exchange Market.

OR

b Describe the different classifications of the external value of the rupee.

15 a Identify and briefly describe three major participants in the Foreign Exchange Market.

OR

b Compare and contrast the settlement methods used in the foreign exchange market, highlighting their advantages and limitations.

Z-Z-Z

END