

Total No. of Questions: 6

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Enrollment No.....



Faculty of Commerce  
End Sem Examination Dec-2023  
CM3EB03 International Banking

Programme: B.Com.(Hons.) Branch/Specialisation: Commerce

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. Name the banking services that caters to the cross borders? **1**  
(a) Wholesale banking  
(b) International banking  
(c) Retail banking  
(d) Investment banking
- ii. The method of payment where the exporter relies on the undertaking of a bank to pay is- **1**  
(a) Bank guarantee (b) Letter of credit  
(c) Letter of comfort (d) None of these
- iii. Which among the following institutions is not a part of World Bank group? **1**  
(a) International Development Association  
(b) International Monetary Fund  
(c) International Finance Corporation  
(d) Multilateral Investment Guarantee Agency
- iv. The form of assistance that members of World Bank get is- **1**  
(a) Technical and economic (b) Political and financial  
(c) Technical and financial (d) Political and economic
- v. What among the following is not included in negotiable instrument? **1**  
(a) Cheque (b) Demand draft  
(c) Promissory note (d) Mutual fund
- vi. What is white label ATM? **1**  
(a) ATM set up by Commercial Banks  
(b) ATM set up by Scheduled Bank  
(c) ATM set up by Non-Banks  
(d) ATM Franchise set up by Foreign Banks

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- vii. Forward exchange rates- **1**  
(a) Involve the immediate exchange of bank deposits  
(b) Involve the exchange of bank deposits at some specific future date  
(c) Involve the immediate exchange of imports and Exports  
(d) None of these
- viii. International finance is concerned with- **1**  
(a) Exchange rates of currencies  
(b) Monetary systems of the world  
(c) Foreign direct investment  
(d) All of these
- ix. The balance of payment account of an economy is related to the- **1**  
(a) Agricultural sector (b) External sector  
(c) Government sector (d) Private sector
- x. Import and export of services are known as- **1**  
(a) Nominal trade (b) Invisible trade  
(c) Visible trade (d) None of these
- Q.2 i. Describe the main features of international banking. **4**  
ii. What are the benefits of using international banking services? **6**  
OR iii. Describe the types of international banking. **6**
- Q.3 i. List the main areas of activity of the international monetary fund. **3**  
ii. What are the focus areas of the Asian Development Bank? **7**  
OR iii. What are the focus areas of international finance corporation? **7**
- Q.4 i. What are the benefits of white label ATM? **2**  
ii. What are the differences between NEFT and RTGS? **8**  
OR iii. Describe the types of letters of credit. **8**
- Q.5 i. Describe the structure of foreign exchange markets in India. **3**  
ii. What risks are involved in cross border financial transactions? **7**  
OR iii. What factors influence the foreign exchange market? **7**
- Q.6 i. What is the difference between balance of trade and balance of payment? **2**  
ii. What are the advantages and disadvantages of trade deficit? **8**  
OR iii. What are the measures to correct disequilibrium in the balance of payment? **8**

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P.T.O.

# Scheme of Marking

## CM3EB03 International Banking

Q.1	i)	Name the banking services that caters to the cross borders? (b) International Banking	1
	ii)	The method of payment where the exporter relies on the undertaking of a bank to pay is- (b) letter of credit	1
	iii)	Which among the following institutions is NOT a part of World Bank group? (b) International Monetary Fund	1
	iv)	The form of assistance that members of World Bank get is – (c) Technical and Financial	1
	v)	What among the following is NOT included in negotiable instrument? (d) Mutual fund	1
	vi)	What is White label ATM? (c) ATM set up by Non-Banks	1
	vii)	Forward exchange rates- (b) Involve the exchange of bank deposits at some specific future date	1
	viii)	International finance is concerned with- (d) all of the above	1
	ix)	The Balance of Payment Account of an economy is related to the- (b) External sector	1
	x)	Import and export of services are known as- (b) Invisible Trade	1
Q.2	i.	main features of International Banking transactions 1 mark for each feature	4
	ii.	benefits of using International Banking services 1 mark for each benefit	6
OR	iii.	types of International Banking 1 mark for each type	6
Q.3	i.	main areas of activity of the International Monetary Fund 1 mark for each area	3
	ii.	focus areas of the Asian Development Bank	7

OR	iii.	1 mark for each focus area focus areas of International Finance Corporation 1 mark for each focus area	(1 mark*7) (1 mark*7)	7
Q.4	i.	benefits of white label ATM		2
	ii.	differences between NEFT and RTGS 1 mark for each difference	(1 mark*8)	8
OR	iii.	types of letters of credit 1 mark for each type	(1 mark*8)	8
Q.5	i.	types of Foreign Exchange markets in India 1 mark for each type	(1 mark*3)	3
	ii.	risks involved in cross border financial transactions 1 mark for each risk	(1 mark*7)	7
OR	iii.	factors influencing the Foreign Exchange Market 1 mark for each factor	(1 mark*7)	7
Q.6	i.	meaning of Balance of Trade and Balance of Payment		2
	ii.	advantages of Trade deficit disadvantages of Trade deficit	(1 mark*4) (1 mark*4)	8
	iii.	measures to correct disequilibrium in the Balance of Payment 1 mark for each measure	(1 mark*8)	8

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