

Enrollment No.....



Faculty of Commerce
End Sem (Odd) Examination Dec-2019
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.

- Q.1 i. _____ bank is incorporated in one country, but is either **1**
partially or completely owned by a parent bank in another country
(a) Subsidiary (b) Affiliate
(c) Foreign branch (d) Correspondent
- ii. _____ are joint ventures of the larger commercial banks. **1**
(a) Consortium bank (b) Foreign branch
(c) Subsidiary bank (d) Affiliate bank
- iii. IMF formal existence came into being in: **1**
(a) 12 May 1945 (b) 27 July 1945
(c) 27 Sep 1945 (d) 27 Dec 1945
- iv. SDR stands for: **1**
(a) Special Drawing Rights (b) Special Deposits Rights
(c) Secured Debt Rights (d) None of these
- v. Who is primarily liable on a cheque? **1**
(a) Drawer
(b) Paying Banker
(c) Collection Banker
(d) Everybody who touches the cheque
- vi. The effect of a crossing a cheque is: **1**
(a) The payee can obtain payment only through a bank account
(b) The payee is compelled to open an account
(c) The payee will have to endorse the cheque to a bank
(d) None of these

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- vii. Exchange rates are determined in: **1**
 (a) The money market (b) The foreign exchange market
 (c) The stock market (d) The capital market
- viii. In an agreement to exchange dollars for euros in three months at a price of \$0.90 per euro, the price is the **1**
 (a) Spot exchange rate (b) Money exchange rate
 (c) Forward exchange rate (d) Monthly exchange rate
- ix. Balance of Payments of a country includes: **1**
 (a) Current account (b) Monetary account
 (c) Capital account (d) All of these
- x. Which will cause the exchange rate of a currency to go up? **1**
 (a) A balance of payments deficit
 (b) An increase in investment flows into the country
 (c) Speculation that the exchange rate will fall
 (d) An increase in the demand for imports
- Q.2 i. What do you mean by international banking? **2**
 ii. Write different types of international banks. **3**
 iii. Write the functions of an international banking facility. **5**
- OR iv. Differentiate between international banking & domestic banking. **5**
- Q.3 Attempt any two:
 i. Describe functions of IMF. **5**
 ii. Write a short note on IFC. **5**
 iii. What is international development association? Write its objectives. **5**
- Q.4 i. Write short note on: **4**
 (a) Forex Card (b) International Credit Card
 ii. Differentiate between NEFT & RTGS. **6**
- OR iii. How will you differ Cheque with Demand Draft? Write the essentials of Cheque. **6**
- Q.5 i. Define Foreign Exchange Market. State its functions. **4**
 ii. What is Fixed Exchange Rate? Differentiate between Spot Market and Forward Market in Foreign Exchange. **6**

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- OR iii. Discuss different types of exchange rate. Support your answer with suitable example. **6**
- Q.6 i. Explain different types of disequilibrium in the balance of payment. **4**
 ii. Differentiate between balance of payment & balance of trade. **6**
- OR iii. Briefly describe the causes for disequilibrium in the balance of payment. Suggest corrective measures. **6**

Marking Scheme

CM3EB03 International Banking

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.

Q.1	i.	_____ bank is incorporated in one country, but is either partially or completely owned by a parent bank in another country	1
		(a) Subsidiary	
	ii.	_____are joint ventures of the larger commercial banks.	1
		(a) Consortium bank	
	iii.	IMF formal existence came into being in:	1
		(d) 27 Dec 1945	
	iv.	SDR stands for:	1
		(a) Special Drawing Rights	
	v.	Who is primarily liable on a cheque?	1
		(a) Drawer	
	vi.	The effect of a crossing a cheque is:	1
		(a) The payee can obtain payment only through a bank account	
	vii.	Exchange rates are determined in:	1
		(b) The foreign exchange market	
	viii.	In an agreement to exchange dollars for euros in three months at a price of \$0.90 per euro, the price is the	1
		(c) Forward exchange rate	
	ix.	Balance of Payments of a country includes:	1
		(d) All of these	
	x.	Which will cause the exchange rate of a currency to go up?	1
		(b) An increase in investment flows into the country	
Q.2	i.	International banking (any two points)	(0.5 mark*2) 2
	ii.	Types of international banks (Any 4 points)	(1 mark*4) 3
	iii.	Functions of an international banking facility.	5
		(Any five point) (1 mark*5)	
OR	iv.	International banking & domestic banking.	5
		(Any five points) (1 mark*5)	
Q.3		Attempt any two:	
	i.	Functions of IMF.(Any 5 point)	(1 mark*5) 5
	ii.	IFC.	(Any 5 points) (1 mark*5) 5

	iii.	International development association Objectives.	1 mark (1 mark*5) 5
Q.4	i.	Write short note on:	4
		(a) Forex Card	(Any two points) (1 mark*2)
		(b) International Credit Card	(1 mark*2=2 marks)
	ii.	NEFT & RTGS.	(1 mark*6=6 marks) 6
OR	iii.	Difference Cheque with Demand Draft	6
		(Any six points)(0.5 marks*6)	
		Essentials of Cheque.	(Any six points)(0.5 mark*6)
Q.5	i.	Foreign Exchange Market.	1 mark 4
		Functions.	(1 mark*3)
	ii.	Fixed Exchange Rate	(Any two points)(1 mark*2) 6
		Differentiate between Spot Market and Forward Market	(1 mark*4)
OR	iii.	Different types of exchange rate. Support your answer with suitable example	(Any four) (1.5 mark*4) 6
Q.6	i.	Types of disequilibrium in the balance of payment.	(Any four)(1 mark*4) 4
	ii.	Differentiate between balance of payment & balance of trade.	(Any 6 points)(1 mark*6) 6
OR	iii.	Causes for disequilibrium in the balance of payment.	(Any Six points)(0.5 mark*6) 6
		Suggest corrective measures	(Any Six points)(0.5 mark*6)
