

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET B

**SCHOOL OF COMMERCE
END TERM EXAMINATION – MAY / JUNE 2024**

Semester : Semester VI - 2021

Course Code : COM3009

Course Name : International Banking and Finance

Program : B.Com. Honors

Date : May 31, 2024

Time : 09.30am - 12.30pm

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

PART - A

ANSWER ANY 5 QUESTIONS

5Q X 2M = 10M

1. Describe the meaning of retail banking. (CO1) [Knowledge]
2. Define wholesale banking. (CO1) [Knowledge]
3. Explain the differences between an IFC and OFC. (CO2) [Knowledge]
4. Explain the meaning of External Commercial Borrowings. (CO3) [Knowledge]
5. Explain the meaning of loan syndication. (CO3) [Knowledge]
6. Explain the meaning of dealing room with regard to foreign exchange. (CO4) [Knowledge]
7. List out two points of differences between factoring and forfaiting. (CO5) [Knowledge]

PART - B

ANSWER ANY 5 QUESTIONS

5Q X 10M = 50M

8. Explain the reasons behind formation of International Monetary Fund. (CO1) [Comprehension]

9. Explain the different types of financial centers and highlight their potential with examples.
(CO2) [Comprehension]
10. Developing countries like India have to depend on foreign capital for financing their development programmes as they suffer from low level of income and low level of capital accumulation. The degree of dependence, however, varies from country to country depending upon its level of mobilization of domestic capital, technology development, attitude of the government, etc. But the fact cannot be denied that foreign capital contributes in many ways to the process of rapid economic growth and industrialization. Explain the different sources of raising foreign capital and need for such capital in a developing economy.
(CO3) [Comprehension]
11. After the onset of the process of globalization of Indian economy, the govt. thought it imperative to allow the companies in India to raise funds from foreign market in foreign exchange. In this context, explain the concept of ADR, GDR and IDR using suitable illustration.
(CO3) [Comprehension]
12. List out the permissible transactions made by PRII and PROI with regard to Capital Account transactions.
(CO4) [Comprehension]
13. Mr. X had resided in India during the financial year 2019-2020 for less than 182 days. He had come to India on April 1, 2020 for carrying on business. He intends to leave the business on April 30, 2021 and leave India on June 30, 2021. Determine his residential status for the financial years 2020-2021 and 2021-2022 up to the date of his departure highlighting the provisions under FEMA, 1999.
(CO4) [Comprehension]
14. The availability of finance is essential for a healthy trading system. Today, up to 80 per cent of global trade is supported by some sort of financing or credit insurance. Discuss the various laws governing trade finance in India.
(CO5) [Comprehension]

PART - C

ANSWER ANY 2 QUESTIONS

2Q X 20M = 40M

15. From the Florentine merchant bankers of the Renaissance to the contemporary period, banking has become an increasingly global business. Two major forces were responsible for the globalization of banking. The first was technology The second major force was the liberalization of financial markets. Give a detailed overview of the evolution of international banking over the five centuries.
(CO1) [Application]
16. Joint ventures between domestic companies in developing countries and foreign companies have become a popular means for both managements to satisfy their objectives. They offer, at least in principle, an opportunity for each partner to benefit significantly from the comparative advantages of the other. Local partners bring knowledge of the domestic market; familiarity with government bureaucracies and regulations; understanding of local labor markets; and, possibly, existing manufacturing facilities. Highlight 5 successful Joint venture in India and identify its synergistic impact in India
(CO3) [Application]
17. The dealing room is active in trading most foreign exchange and interest rate products, including spot, forwards, and options in foreign exchange, and lending, borrowing, issuing commercial paper, interest rate futures, swaps, and bonds in interest rate products. Explain the various risk involved in dealing room activities and discuss the procedure for management of such risks.
(CO4) [Application]