

Roll No



**PRESIDENCY UNIVERSITY  
BENGALURU**

**SET-B**

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

**Semester :** Semester VI - 2021

**Course Code :** BSE2033

**Course Name :** International Finance and Monetary System

**Program :** B.Sc. Economics

**Date :** May 29, 2024

**Time :** 9:30 AM -12:30 PM

**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 term "Net Unilateral Transfers".  
(CO1) [Knowledge]
2. Define IDA  
(CO2) [Knowledge]
3. List out any five common currency symbols.  
(CO3) [Knowledge]
4. Describe the term GDR.  
(CO4) [Knowledge]
5. Define FEMA.  
(CO3) [Knowledge]
6. Define International Debt Market.  
(CO4) [Knowledge]
7. What do you meant by favorable BOT?  
(CO1) [Knowledge]

**PART - B**

**ANSWER ANY 5 QUESTIONS**

**5Q X 10M = 50M**

8. A disequilibrium in the balance of payment means its condition of surplus or deficit. A Surplus in the BOP occurs when total receipts exceed total payments whereas a deficit in the BOP occurs when total payments exceeds total receipts. with reference to the above statement, Illustrate the measures to correct disequilibrium in the balance of payment.  
(CO1) [Comprehension]

9. The International Monetary Fund (IMF) works to achieve sustainable growth and prosperity for all of its 190 member countries. It does so by supporting economic policies that promote financial stability and monetary cooperation, which are essential to increase productivity, job creation, and economic well-being. By considering the above statement, Explain the credit strategy of IMF.  
(CO2) [Comprehension]
10. The Foreign Exchange Management Act, 1999 (FEMA), is an Act of the Parliament of India "to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India". With reference to the above context, Differentiate between FEMA & FERA.  
(CO3) [Comprehension]
11. Distinguished between Global Depository Receipts and American Depository Receipts.  
(CO4) [Comprehension]
12. The balance of payments of a country is the difference between all money flowing into the country in a particular period of time and the outflow of money to the rest of the world. BOP is a economic transactions between countries during a period of time. These financial transactions are made by individuals, firms and government bodies to compare receipts and payments arising out of trade of goods and services. With reference to the above context, Illustrate the various components of Balance of Payment (BOP) Statement.  
(CO1) [Comprehension]
13. The International Monetary Fund (IMF) is an organization of 190 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. With reference to the above statement, Describe the purpose and objectives of International Monetary Fund (IMF).  
(CO2) [Comprehension]
14. The international monetary system is the framework within which countries borrow, lend, buy, sell and make payments across political frontiers. The framework determines how balance of payments disequilibrium is resolved. Numerous frameworks are possible and most have been tried in one form or another. With reference to the above statement, Explain the features of international monetary system.  
(CO3) [Comprehension]

## PART - C

**ANSWER ANY 2 QUESTIONS**

**2Q X 20M = 40M**

15. The International Monetary Fund (IMF) is an organization of 190 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. With reference to the above statement, Explain the objectives of International Monetary Fund (IMF) and Discuss the purposes setting up of IMF.  
(CO2) [Application]
16. A standard structure of the dealing operations in a commercial involves three compartments. Front Office is managed by dealers who represent the bank in market operations at both retail and wholesale levels, Mid office deals with the risk management function the parameters for evaluating and controlling risks are established by this section whereas the back office takes care of processing deals, maintaining mirror accounts for nostro accounts reconciliation, recording of utilization of forward contracts by customers, recovering overdue interest, preparing returns to be submitted to RBI, etc. With reference to the above statement. Explain the dealing room transaction and discuss its types.  
(CO3) [Application]
17. GDR can be defined as a foreign currency denominated derivative instrument in the form of depository receipt created outside India and issued to non-resident investors entitling them to the benefits of specific number of ordinary equity shares or fully convertible bonds of a domestic company. With reference to the above context, Explain the Advantages and Characteristic Features of GDR.  
(CO4) [Application]