42243

BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – B.Com.(AFB)-Hons]-2023
Course Name – International Banking
Course Code - BBF60117
(Semester VI)

Full Marks : 60 **Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A
(Multiple Choice Type Question) 1 x 15=15

1. *Choose the correct alternative from the following :*

(i) Define international banking.
- a) Banking across national borders
- b) Local branch banking
- c) Rural banking
- d) Cooperative banking

(ii) State a characteristic of a developed money market.
- a) High liquidity
- b) Informal structure
- c) Limited instruments
- d) Low regulation

(iii) Explain the distinction between domestic and international banking.
- a) Geographical scope
- b) Ownership pattern
- c) Branch size
- d) Staff strength

(iv) Illustrate cross-border lending.
- a) External commercial borrowing
- b) Cash credit
- c) Overdraft
- d) Personal loan

(v) Select a function of the Reserve Bank of India.
- a) Monetary authority
- b) Insurance regulation
- c) Stock exchange control
- d) Export promotion

(vi) Define foreign exchange.
- a) Currency used in international transactions
- b) Domestic currency
- c) Cryptocurrency
- d) Commodity

(vii) Explain a floating exchange rate regime.
- a) Market-driven rate
- b) Officially fixed rate
- c) Pegged rate
- d) Dual rate

(viii) Illustrate spot exchange rate.
- a) Immediate delivery rate
- b) Future delivery rate
- c) Average rate
- d) Historical rate

(ix) State the primary objective of IMF.

a) Balance of payments support
b) Trade promotion
c) Tax collection
d) Currency printing

(x) Explain the role of Asian Development Bank.

a) Regional development
b) Global trade
c) Currency control
d) Taxation

(xi) Identify invisible exports.

a) Services receipts
b) Merchandise exports
c) Gold exports
d) Oil exports

(xii) Explain NRI remittances.

a) Funds from NRIs
b) Domestic transfers
c) Tax refunds
d) Subsidies

(xiii) Apply FDI to industrial growth.

a) Capital formation
b) Price fixing
c) Trade ban
d) Tax control

(xiv) Evaluate SDR allocation benefits.

a) Liquidity
b) Profit
c) Tax saving
d) Price control

(xv) Create crisis management framework.

a) Reserves + policy
b) Isolation
c) Ban
d) Control

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Illustrate forward cover with a suitable example. (3)
3. Use the role of European Central Bank in monetary management. (3)
4. Define offshore banking and mention one of its advantages. (3)
5. Explain the role of export diversification in strengthening foreign exchange earnings. (3)
6. Create a comprehensive forex risk management policy. (3)

OR

Create a simple framework for managing foreign exchange risk by exporters. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

7. Define the concept of money market and explain its relevance in international banking. (5)
8. Apply exchange arithmetic in calculating export realizations. (5)
9. Analyse the effects of exchange rate volatility on international trade. (5)
10. Create a sustainable foreign exchange earning strategy. (5)
11. Illustrate the role of gold in foreign exchange reserves. (5)
12. Illustrate the application of external commercial borrowings to infrastructure financing. (5)

OR

Explain the major use of global depository receipts to access foreign capital markets. (5)

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