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4 (Sem-4) INBK

2022

INTERNATIONAL BANKING

(Finance Major)

Paper : 405

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

Answer all questions as directed.

1. Select the most appropriate answer from the multiple choices given against each :
1×10=10

- (i) A bank that handles affairs of another bank which has no legal standing in the jurisdiction is known as :
- A. A merchant bank
 - B. A correspondent bank
 - C. An off-shore bank
 - D. A client bank.

Contd.

(ii) FCNR accounts are :

- A. Current accounts
- B. Savings accounts
- C. Fixed deposit accounts
- D. Both (A) and (B).

(iii) LIBOR is —

- A. the interest rate commonly charged for loans between banks.
- B. the maximum interest rate offered on bonds that are issued in London.
- C. the maximum loan rate ceiling on loans in the international money market.
- D. the maximum deposit rate ceiling on deposits in the international money market.

(iv) The largest international banking centre in the world is :

- A. Hong Kong
- B. Toronto
- C. Tokyo
- D. London.

(v) Consortium banks are concerned with receiving deposits. This statement is :

- A. True
- B. False

(vi) International lending does not include unsecured loans. This statement is :

- A. True
- B. False

(vii) Which one of the following is an investment option to a customer of international private banking?

- A. Fixed Income Portfolio
- B. Equity Portfolio Management
- C. Offshore Mutual Fund
- D. All of the above.

(viii) Rules for conduct of foreign exchange business in India are framed by :

- A. FEDAI
- B. RBI
- C. IBA
- D. EXIM Bank of India.

(ix) Which one of the following is not a foreign bank?

- A. Axis Bank
- B. Citi Bank
- C. HSBC
- D. American express bank.

(x) Which Indian bank is the first to open offshore branch?

- A. State Bank of India
- B. Bank of India
- C. Indian Bank
- D. ICICI Bank.

2. Answer the following in about **30-50** words each : $2 \times 5 = 10$

- (a) What is off-shore banking?
- (b) Define SDR.
- (c) What is meant by international private banking?

(d) Why the US dollar is considered a vehicle currency?

(e) What is meant by devaluation?

3. Answer **any four** of the following in about **150-200** words each : $5 \times 4 = 20$

(a) Discuss the important features of international banking.

(b) Distinguish between Off-shore and On-shore banking.

(c) State the functions and scope of the IBRD.

(d) Give a brief description on mirror accounts.

(e) Write a note on functions of the FEDAI.

(f) Describe the functions of the Asian Development Bank.

(g) Write a short note on SWIFT.

4. Answer **any four** of the following questions in about **600** words each :

(a) Define international banking and state the need for international banking operations. 3+7

OR

Discuss the reasons for the growth of international banking. 10

(b) Enumerate the important international financial institutions and discuss their functions in brief. 3+7

OR

What are the objectives and functions of the Bank for International settlement? 3+7

(c) What is international retail banking? Discuss the various products offered under this segment. 3+7

OR

Discuss the features of off-shore banking and its importance. 3+7

(d) What is the rationale behind regulating the international banking? Explain.

10

OR

What is foreign exchange? Explain the structure of the foreign exchange market in India. 3+7

3+7
