

BI- Sem V 18.11.09
International Banking & Finance

P4-Exam.-Oct-09-50

Con. 4135-09.

GM-2489

(2 Hours)

[Total Marks : 60

1. (a) Explain the functions of International Banking.
- (b) Explain the main features of non resident accounts.

OR

1. (a) What is Offshore banking ? What are its features ? Explain with reference to Indian context.
 - (b) Explain the term Non Performing Loans.
2. (a) Explain the short term sources of raising finance in International Markets.
 - (b) Explain the process of Loan Syndication.

OR

2. (a) Explain the term foreign exchange. What are the different types of forex risks and measures to mitigate their risks ?
- (b) Explain any three types of Letters of Credit.

3. (a) On 5th September, an exporter tenders a demand bill for USD 100000 drawn on New York. The ruling rates for US dollars in the interbank market are as under :

Spot	USD 1 = Rs. 49.3000/3500
Spot/September	6000/7000
Spot/October	8000/9000
Spot/November	9200/9400

Transit Period is 25 days. You require an exchange margin of 0-10%. Interest on export finance is 10% p.a. You are required to compute :

- (a) The rate at which the bill be purchase by the bank
 - (b) The rupee amount payable to the customer and
 - (c) Interest to be recovered from him .
- (b) Explain the role of intermediaries in a GDR transaction.

OR

3. (a) Explain the Purchasing Power Parity Theory.
- (b) Explain how Advances are shown in a bank's balance sheet.

4. Write short notes on any **three** :-

- (a) Role of Rating Agencies
 - (b) Need for International Financial Architecture
 - (c) Cross Currency Rates
 - (d) Capital Adequacy
 - (e) Payment System.
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