

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

MCA INSTITUTE

(An Autonomous Institute Affiliated to AKTU, Lucknow)

Global PGDM

TRIMESTER: III - THEORY EXAMINATION (2023 - 2024)

Subject: Global Finance & Foreign Currency

Time: 2.5 Hours

Max. Marks: 60

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of **three Sections -A, B, & C**. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.
2. Maximum marks for each question are indicated on right -hand side of each question.
3. Illustrate your answers with neat sketches wherever necessary.
4. Assume suitable data if necessary.
5. Preferably, write the answers in sequential order.
6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION A

15

1. Attempt all parts:-

- 1-a. The primary goal of global finance:-(CO1) 1
- (a) Maximizing shareholder wealth
 - (b) Maximizing government revenue
 - (c) Maximizing individual savings
 - (d) Maximizing employment opportunities
- 1-b. The IMF is responsible for: (CO2) 1
- (a) Facilitating international trade agreements
 - (b) Providing loans to promote economic stability and growth
 - (c) Regulating global stock markets
 - (d) Issuing global currency
- 1-c. The primary function of the Foreign Exchange Market is...(CO3) 1
- (a) Facilitating the exchange of goods and services between countries.
 - (b) Providing a platform for trading stocks and bonds internationally

(c) Facilitating the buying and selling of currencies from different countries.

(d) Regulating the flow of foreign investments.

1-d. The primary role of EXIM Bank is (CO4) 1

(a) To regulate domestic interest rates

(b) To facilitate international trade finance

(c) To supervise stock market transactions

(d) To provide insurance for domestic goods

1-e. The primary difference between FERA and FEMA is (CO5) 1

(a) FERA allowed more liberalization of foreign exchange transactions compared to FEMA.

(b) FERA imposed stricter controls on foreign exchange transactions compared to FEMA.

(c) FERA primarily regulated foreign investments, while FEMA primarily regulates foreign trade.

(d) FERA empowered the Ministry of Finance to regulate foreign exchange, while FEMA empowered the RBI.

2. Attempt all parts:-

2.b. Define globalization.(CO1) 2

2.a. Give any two objectives of IMF .(CO2) 2

2.c. Write any two functions of Global Exchange Market.(CO3) 2

2.d. Define ECA. (CO4) 2

2.e. Names two key regulations governing foreign exchange transactions in India. (CO5) 2

SECTION B 15

3. Answer any three of the following:-

3-b. Defines Global Finance. Explain its Scope. (CO1) 5

3-a. Explain the meaning of IMF and its functions. (CO2) 5

3.c. Describe the structure of the foreign exchange market, including its different participants. (CO3) 5

3.d. Define export credit. Explain its primary purpose. (CO4) 5

3.e. Define FERA. Explain its objectives in detail. (CO5) 5

SECTION C 30

4. Answer any one of the following:-

4-a. The global financial institutions and regulatory bodies address macro-political risks and uncertainties to maintain stability in the international financial system. Explain it. (CO1) 6

4-b. Explain the capital flows and investment strategies as per global finance. (CO1) 6

5. Answer any one of the following:-

5-a. Assess the impact of the IMF's structure on its ability to achieve its mandate of promoting global economic stability.(CO2) 6

5-b. India recently received a loan package from the IMF to address its balance of payments crisis. Analyse how the Indian government has utilized these funds to stabilize the currency and restore investor confidence.(CO2) 6

6. Answer any one of the following:-

6-a. Imagine you are a multinational corporation with extensive operations in multiple countries. Describe in detail how you would implement risk management strategies in the foreign exchange market to mitigate currency risk. (CO3) 6

6-b. Describe the various participants in the foreign exchange market, including central banks, commercial banks, multinational corporations and hedge funds. Analyze the roles and motivations of each participant group in currency trading. (CO3) 6

7. Answer any one of the following:-

7-a. Define the EXIM bank. Explain its functions.(CO4) 6

7-b. Imagine you are a small exporter facing cash flow problems due to delayed payments from overseas buyers. Describe one specific export credit facility that could help alleviate your situation and how it would work.(CO4) 6

8. Answer any one of the following:-

8-a. A foreign investor is interested in setting up a subsidiary in India to explore opportunities in the e-commerce sector. Explain the regulatory framework governing foreign direct investment (FDI) in India. (CO5) 6

8-b. Explain the Foreign Exchange control and its role & importance in India.(CO5) 6