

TYBBI/ Sem V ATKT Mock paper
Sub: - International Banking and Finance

1. The current system of international finance is a _____ .
- A) Gold standard
 - B) Fixed exchange rate system
 - C) Flexible exchange rate system
 - D) Managed float exchange rate system
- Answer: - D) Managed float exchange rate system

2. _____ is the act of trading different currencies.
- A) Arbitrage
 - B) Foreign trade
 - C) Foreign exchange
 - D) Exports
- Answer: - C) Foreign exchange

3. The country's gold reserves were required to be in custody of _____ .
- A) Government
 - B) Central bank
 - C) Finance minister
 - D) Supervisory committee
- Answer: - B) Central bank

4. International bank for Reconstruction and Development (IBRD) also popularly called _____ .
- A) World bank
 - B) Monetary fund
 - C) European union
 - D) BWS
- Answer:- A) World bank

5. Main components of the ERM were _____ .
- A) Parity grid
 - B) Mutual support
 - C) Commitment to join decision of realignment
 - D) All the above
- Answer: - D) All the above

6. Fundamentals of international finance deal with _____ .

- A) The study of foreign investment
- B) The changes in the foreign exchange rates
- C) Both A and B
- D) Availability of finance

Answer: - C) Both A and B

7. The market where dealing in currencies take place is called as _____ .

- A) Money market
- B) Capital market
- C) Forex market
- D) Commodity market

Answer: - C) Forex market

8. International financial system affected by _____ .

- A) Government policies
- B) Political issues
- C) Both A and B
- D) Social issues

Answer: - C) Both A and B

9. There is difference between international finance and domestic finance due to difference in _____ .

- A) Tax systems
- B) Cultural difference
- C) Law and customs among the countries
- D) All the above

Answer: - D) All the above

10. Widely used international financial markets are _____ .

- A) Eurocurrency market
- B) Euro credit market
- C) Eurobond market
- D) All the above

Answer: - D) All the above

11. Broad measure of a country's international trade in goods and service are called _____ .

- A) Current account
- B) Capital account
- C) Trade account

D) Receivable account

Answer: - A) Current account

12. _____ is a negotiable instrument issued by the international depository bank representing foreign company's stock trading globally.

A) Shares

B) Debentures

C) GDR

D) ADR

Answer: - C) GDR

13. Factors driving the growth and expansion of international equity markets include _____.

A) Advances in information technology

B) Speed of privatization

C) Deregulations of governments

D) All the above

Answer: - D) All the above

14. _____ allows foreign companies to mobilize funds from Indian market.

A) GDR

B) ADR

C) IDR

D) All the above

Answer: - C) IDR

15. An act which is enacted to regulate payments and foreign exchanges in India is _____.

A) FERA

B) FEMA

C) FEDAI

D) FIMMDA

Answer: - A) FERA

16. _____ is where you can buy and sell a currency at a fixed future date for a pre-determined rate.

A) Forward market

B) Domestic market

C) Currency market

D) Options markets

Answer: - A) Forward market

17. The risk that a government may default on its debt obligation _____ .

- A) Political risk
- B) Sovereign risk
- C) Transfer risk
- D) Transaction risk

Answer: - B) Sovereign risk

18. Trade between companies in two different countries is called as _____ .

- A) Domestic trade
- B) Internal trade
- C) International trade
- D) Business trade

Answer: - C) International trade

19. _____ Play an important role in strengthen the banking sector.

- A) Federal bank
- B) Domestic banks
- C) Central banks
- D) Foreign banks

Answer: - C) Central banks

20. The different policies adopted for reducing/eliminating BOP deficit are

- _____.
- A) Trade policies
 - B) Monetary policies
 - C) Fiscal policies
 - D) All the above

Answer: - D) All the above