

Shri Bhausaheb Vartak College of Arts ,Commerce and Science, Borivali (West)

Program: - TYBBI

Sem: - V

Course: - INTERNATIONAL BANKING AND FINANCE

Sr. No	Question	A	B	C	D	Answer	OPTION
1	Syndicated loan is a loan that is _____	Secured by Mortgages	Unsecured	Provided by Group of Banks	Provided to a Group of Customers	Provided by Group of Banks	C
2	_____ is the provision of banking services by one bank (the“correspondent bank”) to another bank (the “responent bank”)	Correspondent banking	International banking	Foreign bank	Domestic Banking	International banking	B
3	A sovereign credit rating is the credit rating of a, _____ i.e., a national government	Sovereign entity	Multinational company	Banks	Firm	Sovereign entity	A
4	LIBOR are used to reflect _____ term interest rate across the globe.	Short	Medium	Long	Federal	Short	A
5	_____ plays an important role in strengthen the banking sector.	Federal bank	Domestic bank	Central banks	Inter-banks	Domestic bank	B
6	The bank which opens the letter of credit in favour of beneficiary is known as _____	Issuing bank	advising bank	confirming bank	lead bank	Issuing bank	A
7	A letter of credit that can be used for multiple transactions where the credit limit is not fixed is _____ letter of credit.	revolving	transferable	revocable	clean	revolving	A
8	_____ is a rupee denominated NRI account.	NRE	NRO	FCNR	NPA	NRO	B
9	Loan can be provided in _____ currencies as per the borrowers demand in case of loan syndication.	one	two	multiple	domestic	multiple	C
10	The loan amount contributed by several lenders in a syndicated loan _____	is equal	is double	may or may not be equal	decided by RBI	may or may not be equal	C
11	The risk that the bank will not receive funds from its counter-parties on the due date is called _____.	Settlement risk	Liquidity Risk	Foreign exchange risk	Political risk	Settlement risk	A
12	_____ risk relates to the inability of a bank to unwind its asset at the market price and meet its obligation of payment on the due date.	Liquidity	Political	potential payoff	foreign exchange risk	Liquidity	A

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13	In options for call and put a right a price called the option _____.	Futures	premium	Liquidity	discount	premium	B
14	_____ risk, as it is otherwise known, arises due to adverse movements of interest rates or interest rate differentials.	operational risk	Interest rate	political risk	Currency swaps	Interest rate	B
15	_____ gives the buyer the right but not the obligation to buy a given quantity of the underlying asset, at a given price on or before a given future date.	currency	calls	puts	forward	calls	B
16	When a country experiences _____ its interest rates are likely to fall.	Boom	Depression	Recession	high growth	Recession	C
17	_____ is where you can buy or sell a currency, at fixed future date for a pre-determined rate.	forward market	domestic market	currency market	options market	forward market	A
18	The risk that a government may default on its debt obligation _____	political risk	sovereign risk	transfer risk	transaction risk	sovereign risk	B
19	An act which in enacted to regulate payments and foreign exchange in India, is _____.	FERA	FEMA	FEDAI	FIMMDA	FEMA	B
20	_____ an act initiated to facilitate external trade and payments and to promote orderly management of the forex market in the country.	FERA	FEMA	FEDAI	FIMMDA	FEMA	B
21	_____ facilitates the conversion of one country's currency into another.	Commercial Bank	Foreign Exchange Market	Forex Market	NABARD	Forex Market	C
22	The _____ carry out buy/sell orders from their retail clients	Foreign Exchange Market	Forex Market	Commercial Bank	NABARD	Commercial Bank	C
23	_____ is a foreign exchange rate quoted as the domestic currency	Direct Quote	Exchange rate Quote	Forex market	Futures market	Direct Quote	A

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24	_____ is the price that a trader will get for selling a single base currency.	Bid price	Ask rate	Spread	Spread %	Bid price	A
25	The difference between the bid price and the ask price in a forex quote is normally called _____.	Spread	bid rate	Ask rate	Direct rate	Spread	A
26	_____ risk arises if a country suddenly suspends or imposes a moratorium on foreign payments because of Balance of payments or other problems.	Mismatch risk	Transaction risk	Open position risk	Sovereign risk	Sovereign risk	D
27	_____ placed mainly in countries other than the one in whose currency the bond is denominate	Domestic bonds	Foreign bonds	Eurobonds	Global bonds	Eurobonds	C
28	SEBI has set _____ as the lower limit for the IDRs to be issued by the Indian companies.	Rs.5 crores	Rs.50 crores	Rs.500 crores	Rs.5000 crores	Rs.50 crores	B
29	The minimum investment required in the IDR issue by the investors has been fixed at _____ by SEBI.	Rs2 lakh	Rs.5lakh	Rs.20lakh	Rs.50Lakh	Rs2 lakh	A
30	_____ is issued locally by a domestic borrower usually denominated in the local currency.	Domestic bonds	Foreign bonds	Eurobonds	Global bonds	Domestic bonds	A
31	A Japanese company issuing bonds in Yen Currency in Japan is an example of _____	Domestic bonds	Foreign bonds	Eurobonds	Global bonds	Domestic bonds	A
32	The main risk associated with domestic bonds is the risk of _____	Bankruptcy	Obsolescence	Exchange	Credit	Bankruptcy	A
33	Straight fixed rate Eurobonds are typically bearer bonds and pay coupon interest _____	Annually	Half yearly	Quarterly	Monthly	Annually	A
34	In the case of _____ offering, the bonds convert into shares of the company that issued the bonds.	FCCB	FCEB	GDR	ADR	FCCB	A
35	_____ are instruments issued by registered foreign institutional investor (FII) to overseas investors, who wish to invest in the Indian stock markets without registering themselves with the market regulator, SEBI.	Participatory notes	Eurobonds	FCCB	FCEB	Participatory notes	A

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36	The artificial currency created by IMF to be used as supplementary Reserve Asset is called as	SDR	Gold coins	Paper currency	Bitcoins	SDR	A
37	Broad measure of a country's international trade in goods and services are called	Current account	Capital account	Trade account	Receivable account	Current account	A
38	Account reflecting changes in country ownership of long-term and short-term financial assets are called	Current account	Capital account	Trade account	Receivable account	Capital account	B
39	When a country experiences _____ its interest rates are likely to fall.	Boom	Depression	Recession	Development	Recession	C
40	International bank for reconstruction and development also popularity called _____	World bank	Monetary fund	European bank	BWS	World bank	A
41	The _____ is an international reserve asset, created by the IMF in 1969 to supplement its member countries official reserves.	BWS	SDR	ADR	GDR	SDR	B
42	_____ regulates SDRs which would accept as reserves and use for the settlement of international payments.	IMF	IBRD	ICRA	IFC	IMF	A
43	The Smithsonian agreement was abandoned in March _____	1978	1972	1971	1967	1972	B
44	The collapse of the _____ system is related to Tiffens paradox.	Gold standard	Bretton woods	Snake in the Tunnel	Gold specie	Bretton woods	B
45	_____ is the act of trading different currencies.	Foreign exchange	Arbitrage	Foreign trade	Exports	Foreign trade	C
46	A floating exchange rate are _____	a. Is determined by the national governments involved.	b. Remains extremely stable over long period of times.	Is determined by the actions of central banks.	Is allowed to vary accordingly to market force.	Is allowed to vary accordingly to market force.	D

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47	The current system of international finance is a _____	Gold standard	Fixed exchange rate system	Floating exchange rate system	Managed float exchange rate system	Managed float exchange rate system	D
48	Who is the first party in ADR Issue	Bank	Issuing Company	Stock exchange	Customer	Issuing Company	B
49	FERA was replaced by	RBI	World bank	FEMA	Commercial Bank	FEMA	B
50	The price which is average of BID & ASK PRICE _____	MID	Ask	BID	SPOT	MID	A

