



**HERBERT CHITEPO SCHOOL OF LAW AND
COMMERCE**

DEPARTMENT OF ECONOMICS AND FINANCE

BACHELOR OF COMMERCE	PART 2 SEMESTER 1
COURSE	INTERNATIONAL BANKING
CODE	HBF 219
DATE	2024
DURATION	3 HOURS

GREAT ZIMBABWE UNIVERSITY
RECEIVED
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EXAMINATIONS OFFICE

INSTRUCTIONS TO CANDIDATES

1. THE PAPER COMPRISES 5 QUESTIONS.
2. YOU ARE REQUIRED TO ANSWER ANY FOUR QUESTIONS.
3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.
4. YOU WILL EARN MARKS FOR CLEAR HANDWRITING.
5. USE OF CALCULATORS IS ALLOWED IN THE EXAM.

Question 1

Country risk is a very prominent risk in international banking operations. Discuss country risk and how international banks can manage it. [25 Marks]

Question 2

2.1 Describe the risks involved in international banking. [12 Marks]

2.2 Outline the techniques employed by international banks to mitigate these risks. [13 Marks]

Question 3

Clearly describe how the following documentary credits operate:

3.1.1 Revocable Letter of Credit. [10 Marks]

3.1.2 Irrevocable Letter of Credit. [8 Marks]

3.1.3 Unconfirmed Letter of Credit. [7 Marks]

Question 4

4.1 The market for syndicated loans has grown in the last few decades with international banks as the major participants in these markets. Describe the loan syndication process and highlight the benefits is any to international banks for participating in loan syndications. [15 Marks]

4.2 Evaluate the Eurocurrency market as a financing vehicle for corporations. [10 Marks]

Question 5

The expansion of banks across borders is one of the positive developments in the field of finance in recent decades. It should however be noted that this development brings challenges to regulators of banks. Explain how and why international banks are regulated. [25 Marks]