International Banking and Trade Finance

Your total score is 0/5

1 2 3 4 5

1. Which of the following is a commonly used financial instrument in international trade to mitigate the risk of payment? (**Marks:** 0)

- ✓ Letter of Credit
- Credit Default Swap
- Promissory Note
- Commercial Paper

2. What is the primary purpose of Export Credit Insurance? (**Marks:** 0)

- ✓ To protect the exporter from non-payment risks by the importer
- To provide working capital to exporters
- To facilitate foreign direct investment
- To ensure foreign exchange rate stability

3. Which of the following organizations facilitates international trade by offering guarantees and credit to exporters? (**Marks:** 0)

- World Trade Organization (WTO)
- ✓ Export-Import Bank (EXIM Bank)
- International Monetary Fund (IMF)
- United Nations Conference on Trade and Development (UNCTAD)

4. Which term refers to a financial arrangement where a bank provides immediate payment to the exporter by purchasing the exporter's receivables? (**Marks:** 0)

- Factoring
- ✓ Forfaiting
- Leasing
- Swapping

5. In international trade, who issues a Bill of Lading? (**Marks:** 0)

- Exporter
- Importer
- ✓ Shipping Company
- Bank