

FYBIM sem II Reg & A.T.K.T. Exam March 2020

Subject: Introduction to Financial Intermediaries

14/3/20

Duration: 2 ½ hour

75 marks



Q. I. A: Fill in the blanks. (Any Eight)

(08)

1. _____ system is the system that allows the transfer of money between savers and the borrowers.
2. In order to obtain SEBI registration the applicant has to first become member of _____.
3. In exchange for their money commercial banks offer their customers _____ on their deposit.
4. _____ is a financial institution which accepts deposits and issue loans.
5. _____ is a regulated professional individual associated with brokerage firm.
6. _____ denotes highest safety in terms of timely payment of interest in principal.
7. Borrower's credit quality is been assessed by _____.
8. ALM function covers the _____.
9. To evaluate the profitability, financial intermediaries use _____.
10. In India, insurance sector regulated by _____.

Q. I. B: State the following statements are True or False. (Any Seven)

(07)

1. Financial intermediaries make the market vibrant which help the market to function smoothly.
2. Financial intermediaries encourage in facilitating capital formation.
3. A financial advisor is a professional who renders financial services to clients.
4. Mutual funds invest only in equity markets.
5. There is no different between commercial bank and credit union.
6. ALM is a tool to only liquidity risk.
7. The depository system reduces the settlement time.
8. Interest rte risk will be involved in all types of securities.
9. Brokers acts as an intermediary between investors and depository.
10. Dematerialization of shares is more time consuming and expensive.

Q. 2. A) Explain the structure of Indian Financial System?

(08)

Q. 2.B) Describe various functions of financial intermediaries

(07)

OR

Q. 2. C) Explain in brief registration process of financial intermediaries?

(08)

Q. 2. D) Explain the benefits of financial intermediaries?

(07)

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Q. 3. A) Explain in brief various functions of commercial banks? (08)

Q. 3. B) Explain the role and importance of credit rating agencies? (07)

OR

Q. 3. C) Describe the features of Mutual funds schemes? (08)

Q. 3. D) Describe different investment schemes of mutual funds? (07)

Q. 4. A) What is Transaction cost? Explain the role of financial intermediaries
in reducing transaction cost? (08)

Q. 4. B) Explain various types of risk faced by financial intermediaries? (07)

OR

Q. 4. C) Explain in detail the concept of information Asymmetry? (08)

Q. 4. D) Explain in brief various factors affecting the performance of financial
intermediaries? (07)

Q. 5. A) Explain Future Growth prospectus of Insurance Industry in India? (08)

Q. 5. B) Explain problems faced by Banking sector in India? (07)

OR

Q. 5. C) Q.5) Short notes: (Any 3) (15)

1. Credit Union
2. Credit Risk
3. Non-banking finance company
4. Closed ended mutual fund
5. Moral Hazard

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