

FYBFM
FYBFM sem I Reg & A.T.K.T. Exam NOV-2022

INTRODUCTION TO FINANCIAL SYSTEM

DURATION: 2 ½ hrs

11/11/22



Marks: 75

Notes: 1) All questions are compulsory with internal choice.

2) Figures to right indicate marks

QUES 1 (A) Multiple choice questions (attempt any 8)

1) A _____ is the other leg of the trade point, assures the risk by making simultaneous trades that offset each other and captures reference points

- a) Hedgers
- b) Speculators
- c) Arbitrageur
- d) Commodity holders

2) _____ market is a market for long issue of long-term capital.

- a) Currency market
- b) Money market
- c) Capital market
- d) Commodity market

3) Which bank is considered as an apex institution of banks?

- a) State bank of India
- b) Reserve Bank of India
- c) ICICI
- d) IRDA

4) Which department look over the foreign exchange regulation and management?

- a) Department of investing and operations
- b) international debt management department
- c) financial market operations department

d) Department of government and bank accounts

5) Which department looks for banks objective of regulation of bank?

a) Department of non-banking regulations

b) Department of banking regulations

c) Department of cooperative regulations

d) foreign exchange department

6) SEBI was introduced in year:

a) 1932

b) 1992

c) 1981

d) 2002

7) Mutual funds are operated by _____ companies

a) foreign exchange

b) Investors company

c) Asset management

d) Non-banking regulation

8) _____ are negotiable money market instruments issued by banks and DFIS.

a) Commercial papers

b) Certificate of deposit

c) T- bill

d) Commercial bills

9) _____ indicates the quantum cash that bank need to keep with RBI.

a) Bank rate

b) Repo rate

c) SLR

d) CRR

10) Who frames the monetary policy in India?

a) RBI

b) GOVERNMENT OF INDIA

c) RBI

d) SBI



Ques 1 Match the following: (attempt any 7 out of 10)

(7 Marks)

Group 1	Group 2
1) Insurance	a) Brokerage segments
2) Shakti kanta das	b) Foreign institutional intermediaries
3) CICR ACT	c) RBI governor
4) Asset management company	d) 2005
5) FII	e) Money back plan
6) Accounting firms	f) IRDA
7) Development finance institutions	g) Nirmala Sitharaman
8) Finance Minister	h) 1992
9) SEBI ACT	i) KMPG
10) Life insurance	j) NABARD and SIDBI

Ques 2 (15 Marks)

A) What is financial system? Explain in detail the role and functions of the financial system? (8 Marks)

B) What are financial markets? Explain the roles and functions of financial market. (7 M)

OR

C) Explain in detail the structure and constituents of financial system (8 Marks)

D) What is Capital Market? What are the roles and functions of Capital market? (7 M)

Ques 3 (15 Marks)

A) What is IRDA? What are the roles and functions of IRDA? (8 Marks)

B) What is currency market? Explain in detail the participants of currency market. (7M)

OR

C) Give a brief description on Debt Market, equity market and commodity market. (8 Marks)

D) What are the advantages and disadvantages of Money Market? (7 Marks)

Ques 4 (15 Marks)

A) Discuss different components of money market. (8 Marks)

B) What are functions of secondary market? (7 Marks)

OR

C) What are the governing functions of RBI? (8 Marks)

D) What are the monetary functions of RBI? (7 Marks)

Ques 5 (15 Marks)

- A) What are financial derivatives? Explain in detail various derivative instrument and participants of derivative markets? (8 Marks)
- B) What is difference between Money market and Capital market? (7 Marks)

OR

Short notes: (attempt any 3)

(15 Marks)

- A) RESERVE BANK OF INDIA
B) SECURITIES EXCHANGE BOARD OF INDIA
C) FINANCIAL DERIVATIVE INSTRUMENT
D) IRDA
E) MONEY MARKET

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