

All questions are compulsory.

25/01/20

2 Hours 30 Mins

Figures on right indicate full marks.

75 Marks



Q1. A) Multiple Choice Questions: (Any 8)

(08 Marks)

1. _____ means a bank included in the second schedule of the Reserve Bank of India Act, 1934.
 - i) Schedule
 - ii) Non schedule
 - iii) Co-operative
2. Insurance companies, pension companies, mutual funds are _____ intermediaries.
 - i) Banking
 - ii) Co-operative
 - iii) Non-banking financial institution
3. Money market is a _____ market.
 - i) Long term
 - ii) Short term
 - iii) Equity
4. The first development financial institution in India that has got merged with a bank is _____.
 - i) IDBI
 - ii) ICICI
 - iii) IDFC
5. _____ is fund based financial services.
 - i) Venture capital
 - ii) Credit rating
 - iii) Loan syndication
6. RBI is a lender of last resort for _____.
 - i) State government
 - ii) Stock market
 - iii) Commercial banks
7. _____ capital is raised by issue of shares and ploughing back of profits.
 - i) Owned
 - ii) Borrowed
 - iii) Debt
8. Gilt edged securities are issued by _____.
 - i) Corporate
 - ii) Government
 - iii) Banks
9. _____ are capital markets instruments.
 - i) GDR
 - ii) Commercial bills
 - iii) Government securities
10. Financial system mobilizes funds from _____ unit to deficit units.
 - i) One
 - ii) Surplus

iii) Investors

Q1. B) State whether the following statements are true or false: (Any 7) (7 Marks)

1. The American Financial System is Market Based.
2. The venture capitalist also has a network of contacts in many areas that can add value to the company.
3. Treasury bills are capital market instrument.
4. Money market deals with securities which have a maturity of less than one year.
5. NABARD is an apex development bank for agriculture.
6. Factoring is a fee based service.
7. There are no financial markets required in financial system.
8. Secondary market is also known as new issue market.
9. Merchant bankers engage themselves in the business of issue management.
10. Primary deals in new financial claim therefore it is called new issue market.

Q2. A) What is the need and scope of insurance? (08 Marks)

Q2. B) What is mutual fund? What are the features of mutual fund? (07Marks)

OR

Q2. C) What is financial market? What are the 5 ways of classification of financial market? (15 Marks)

Q3. A) What is the role of merchant banker in primary market? (08 Marks)

Q3.B) What are the advantages of investing in commodity market? (07Marks)

OR

Q3. C) What are the features of money market? (08 Marks)

Q3. D) What are the investment policies of commercial banks? (07Marks)

Q4. A) What is the role and function of SEBI? (15 Marks)

OR

Q4. B) What are the various types of financial services? (08 Marks)

Q4. C) How is the asset structure of commercial banks? (07Marks)

Q5. A) What is the role of Reserve Bank of India? (15 Marks)

OR

Q5. B) Short notes: (Any 3) (15 Marks)

- i) Capital Market
- ii) Certificate of deposit
- iii) Financial services
- iv) Participants in primary market
- v) Indian financial system