



**FYBIM SEM.- I SUB.: INTRO. TO FINANCIAL SYSTEM**

All questions are compulsory.

11.11.22

2 Hours 30 Mins

Figures on right indicate full marks.

75 Marks

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

**(08 Marks)**

1. \_\_\_\_\_ is chairman of central board of directors of RBI.
  - i) Finance Minister
  - ii) Governor
  - iii) President
2. RBI was established in the year \_\_\_\_\_.
  - i) 1970
  - ii) 1935
  - iii) 1980
3. \_\_\_\_\_ is a popular instrument for financing working capital requirements of a company.
  - i) Certificate of deposit
  - ii) Commercial paper
  - iii) Equity shares
4. Central bank \_\_\_\_\_ credit.
  - i) Creates
  - ii) Controls
  - iii) Restricts
5. The small investors' gateway to enter into big company is \_\_\_\_\_.
  - i) Preference shares
  - ii) Bonds
  - iii) Mutual funds
6. \_\_\_\_\_ is a way of reducing your potential financial loss or hardship.
  - i) Insurance
  - ii) Venture capital
  - iii) Factoring
7. BSE established in the year \_\_\_\_\_.
  - i) 1960
  - ii) 1975
  - iii) 1875
8. The main objective of regulating today is to ensure \_\_\_\_\_ protection.
  - i) Investor's
  - ii) Company's
  - iii) Own's
9. Indian financial system is \_\_\_\_\_ based.
  - i) Market
  - ii) Bank
  - iii) Information
10. \_\_\_\_\_ are unorganized sector of Indian Financial System.
  - i) Indigenous bankers
  - ii) Commercial banks



Q 1 B) State whether the statement is true or false

- 1) SEBI is the regulator of Indian Securities Market.
- 2) RBI is Nationalised in the year 1955.
- 3) Merchant bankers engage themselves in the business of Issue Management.
- 4) Credit Rating agencies guarantees the return from the borrowers.
- 5) Money market instruments are normally issued for a period of more than a year.
- 6) Moneylenders are the part of unorganised markets.
- 7) SEBI has set up to protect the interest of the investors.
- 8) Commercial banks operates for profit
- 9) Full form of CRISIL is Credit Rating and Investment Services of India Limited
- 10) Common Stock represents the ownership of the companies.

Q 2 A) Explain the role and importance of financial system in the economy

B) Briefly explain the constituents of Indian financial system

OR

C) Explain the phases of evolution of Indian financial system

D) Describe the functions of financial system.

Q 3 A) What is financial market? Explain its types.

B) Elaborate the role of capital market in economic development

OR

C) Define Intermediaries and explain its functions to improve economic efficiency.

D) Explain Money market in Indian financial system

Q 4 A) What are the functions of commercial banks?

B) State the characteristics of development banks.

OR

C) Explain any four Fee based financial services.

D) What is meant by financial services? Explain its role.

Q 5 A) State the main functions of IRDAI.

B) Explain the different ways of classifying financial instruments.

OR

C) Write short notes (Any 3)

- 1) Risk-Return Trade-off
- 2) Characteristics of debt instruments
- 3) Traditional functions of RBI
- 4) Fund based Financial Service
- 5) Money market instruments

(08)

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