

FYBFM sem I Reg Exam Dec-2018  
Paper / Subject Code: 81202 / Introduction to Financial System.



30/11/2018

Time: 2  $\frac{1}{2}$  Hours

Marks: 75

Q.1 A) Fill in the blanks (Any Eight)

(08)

1. A \_\_\_\_\_ system helps in mobilizing the savings from the households
2. \_\_\_\_\_ is the short form of asset management company
3. \_\_\_\_\_ based financial services involve a commission
4. Financial markets can be physical or \_\_\_\_\_
5. \_\_\_\_\_ markets provide access to short-term funds
6. \_\_\_\_\_ are investors who profit from differences in prices in two different markets
7. Government securities are issued by the \_\_\_\_\_ on behalf of Government of India
8. \_\_\_\_\_ is the regulatory authority for commodity futures market in India
9. \_\_\_\_\_ instruments have both the features of equity and debentures
10. The \_\_\_\_\_ are financial instruments which derive value from the underlying asset

B) State whether the following statements are True or False (Any Seven)

(07)

1. Money market is a long term market
2. RBI's main function is financial stability
3. Financial instruments are first issued in primary market
4. GDRs are traded in American stock market
5. CRAs assess the credibility of borrowers
6. AMFI is Asset Management Financial of India
7. Coupon is the periodic interest payment
8. A hedger is one who enters the market to make profit
9. Insurance companies are non financial intermediaries
10. Foreign exchange market has no physical location

Q. 2. Explain the various components of financial markets

(15)

OR

Q. 2 c. Explain the functions of financial markets in financial system

(8)

d. Explain the role of banking system in the Indian financial system

(7)

Q. 3.a. What are the differences between organized and unorganized financial markets

(8)

b. Explain the functions of capital market

(7)

OR

Q. 3. c. Who are the participants in the currency market?

(8)

d. Explain the advantages and disadvantages of capital market.

(7)

Q. 4. a. Explain IRDA's primary role in safeguarding the interest of policyholders.

(8)

b. Why are financial regulators important in the financial system?

(7)

OR

Q. 4. Explain the various quantitative and qualitative credit controls methods used by RBI

(15)

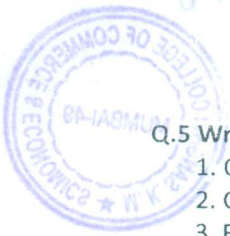
Q. 5.a. Explain the features of debt instruments.

(8)

b. Explain the various advantages that equity instruments have over debt instruments.

(7)

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OR

Q.5 Write short notes on: (Any Three)

1. Commercial paper
2. Credit Rating Agencies
3. FIIs
4. SEBI
5. Derivatives

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