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4 (Sem-5/CBCS) COM HE 6 (IFS)

2021

(Held in 2022)

COMMERCE

(Honours Elective)

Paper : COM-HE- 5066

(Indian Financial System)

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Choose the most appropriate answer from the choices given against each :

1×10=10

(i) "All banks are financial institutions but all financial institutions are not banks." The statement is

(a) True

(b) False

Contd.

(ii) Which of the following is not a component of financial system ?

- (a) Financial institutions
- (b) Financial instruments
- (c) Financial services
- (d) Financial structures and organisations.

(iii) Which of the following is not a money market instrument ?

- (a) Option
- (b) Repo
- (c) CP
- (d) CD

(iv) Money market deals with

- (a) short-term fund
- (b) long-term fund
- (c) medium-term fund
- (d) None of the above

(v) Which of the following is not an NBFBI ?

- (a) SBI
- (b) LIC
- (c) UTI
- (d) IFCI

(vi) RBI was established in the year

- (a) 1949
- (b) 1935
- (c) 1934
- (d) None of the above

(vii) SEBI primarily regulates which of the following ?

- (a) Banking sector
- (b) Capital market operation
- (c) Money market
- (d) None of the above

(viii) "Financial service implies the transfer of fund from surplus sector to deficit sector of the economy." The statement is

- (a) True
- (b) False

(ix) Merchant banking is a

- (a) fee-based service
- (b) fund-based service
- (c) Both fee and fund-based services
- (d) None of the above

(x) Write the full form of PFRDA.

2. Answer the following questions in about 50 words each : $2 \times 5 = 10$

- (a) Give the meaning of financial system.
- (b) State two distinguishing features of Indian money market.
- (c) Define scheduled bank.
- (d) What is factoring ?

(e) State any two investor protection measures initiated by SEBI.

3. Answer any four of the following questions in about 200 words each :

$5 \times 4 = 20$

- (a) Explain various segments of Indian financial system.
- (b) On what grounds, money market is different from capital market ? Explain.
- (c) Define mutual fund and state its advantages.
- (d) State the basic features of financial services.
- (e) Explain the regulatory role of SEBI in Indian securities market.
- (f) "Stock exchange is considered as the economic barometre of a country." Justify the statement.

4. Answer the following questions : $10 \times 4 = 40$

- (a) Discuss the important functions of financial system. 10

OR

"A well-development financial system is the basis for the development of the economy of a country."—
Critically examine the statement.

10

- (b) Give the classification of financial market. Also explain about various submarkets of money market.

4+6=10

OR

What is primary market ? Explain the functions of primary market.

2+8=10

- (c) Define bank. Discuss the structures of Indian banking system. 2+8=10

OR

Elaborately discuss the regulatory and developmental roles played by RBI.

10

- (d) Give the meaning of leasing with example. State the differences between operating lease and financial lease.

3+7=10

OR

What are the objectives of IRDA ?
Also point out the functions of IRDA.

4+6=10
