REV-01
BBA/20/05

2025/05

SET B

BACHELOR OF BUSINESS ADMINISTRATION
SIXTH SEMESTER
INDIAN FINANCIAL SYSTEM
BBA – 602

[USE OMR FOR OBJECTIVE PART]

Duration: 3 hrs. **Full Marks: 70**

Time: 30 min. **Marks: 20**

(Objective)

Choose the correct answer from the following: *1×20=20*

1. Which of the following is a government-owned insurance company?
   a. HDFC Life
   b. ICICI Prudential
   c. SBI Life
   d. LIC

2. Capital market deals with instruments having maturity period of:
   a. Less than 1 year
   b. Exactly 1 year
   c. More than 1 year
   d. No fixed maturity

3. Which financial market deals with short-term funds (less than 1 year)?
   a. Capital market
   b. Money market
   c. Foreign exchange market
   d. Commodity market

4. Primary market is also known as:
   a. Old issue market
   b. Second-hand market
   c. New issue market
   d. Commodity market

5. Which organization regulates the insurance sector in India?
   a. SEBI
   b. IRDAI
   c. RBI
   d. NABARD

6. NABARD is mainly concerned with:
   a. Industrial finance
   b. Agricultural and rural development
   c. Urban housing
   d. Foreign exchange

7. The Indian Financial System includes:

a. Financial institutions
b. Financial markets
c. Financial instruments
d. All of the above

8. RBI uses which of the following to control inflation

a. CRR and SLR
b. Import duties
c. Tax rebates
d. Subsidies

9. Which of the following is a negotiable money market instrument?

a. Fixed deposit
b. Gold
c. Commercial paper
d. Mutual fund

10. Which financial instrument represents ownership in a company?

a. Debenture
b. Bond
c. Equity Share
d. Fixed Deposit

11. Which of the following is a role of financial markets?

a. Producing goods
b. Controlling population
c. Providing education
d. Channeling savings into investments

12. The headquarters of SEBI is located in:

a. Delhi
b. Kolkata
c. Chennai
d. Mumbai

13. Which of the following is a money market instrument?

a. Debentures
b. Treasury Bills
c. Equity Shares
d. Preference Shares

14. Which of the following is NOT classified as an NPA?

a. Standard Asset
b. Substandard Asset
c. Doubtful Asset
d. Loss Asset

15. Which of the following is NOT a tool of monetary policy

a. Cash Reserve Ratio
b. Repo Rate
c. Fiscal Deficit
d. Reverse Repo Rate

16. SEBI is the regulatory authority for:

a. Insurance companies
b. Banking sector
c. Stock market
d. Agriculture

17. The full form of NBFC is:

a. National Bank for Central Finance
b. Non-Banking Financial Company
c. New Banking and Finance Corporation
d. None of the above

18. Mutual funds collect money from investors and invest mainly in:

a. Real estate
b. Agricultural land
c. Shares and bonds
d. Gold only

19. Call money market deals in loans for:

a. 15 days
b. 1 year
c. Overnight
d. 10 years

20. Which of these is NOT a function of the financial system?

a. Allocation of resources
b. Price discovery
c. Tax collection
d. Risk management

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Descriptive

Time: 2 hr. 30 mins. **Marks: 50**

[Answer question no.1 & any two (4) from the rest]

1. a) Briefly explain any two components of the Indian Financial System. 5+5=10
   b) Define a financial system and explain its importance and role in the development of an economy

2. Critically examine the role of Narasimham Committee Reports in shaping India's financial sector reforms. 5+5=10

3. What are the key instruments of monetary policy used by the RBI, and how do they impact the broader economy? 3+7=10

4. Elaborate the historical development of commercial bank in India from Pre- Independence, Post – Independence and Post Liberalization Era. 10

5. Explain the significance of Non-Performing Assets (NPA) and also mention the possible causes of NPA. 4+6=10

6. a) Define Financial Inclusion and explain the importance of it towards economic development. 5+5=10
   b) Discuss the role and function of RBI and SEBI

7. Explain the Indian Financial System and Discuss the reforms taken place in Indian Financial System 2+8=10

8. a) Explain the difference between Money market and Capital Market. 5+5=10
   b) Write a note on Non-Banking Financial Institution

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