

B. COM
Fifth Semester (Repeat)
INDIAN FINANCIAL SYSTEM
(BCM – 24)

Duration: 3Hrs.

Full Marks: 70

Part-A (Objective) =20
Part-B (Descriptive) =50

(PART-B: Descriptive)

Duration: 2 hrs. 40 mins.

Marks: 50

Answer any four from Question no. 2 to 8
Question no. 1 is compulsory.

1. What do mean by money market? Discuss various instruments traded in money market. (2+8=10)
2. What do you mean by open and close ended mutual fund? Explain the benefits of investment in mutual fund. (5+5=10)
3. Discuss the components and function of financial system. (5+5=10)
4. What is electronic banking? Discuss the advantages and challenges of electronic banking in India. (2+8=10)
5. Distinguish between primary and secondary market. Explain the functions of stock exchanges. (4+6=10)
6. What do you mean by liquidity? Discuss the importance of liquidity in banking business. (2+8=10)
7. Discuss the functions of Reserve Bank of India. (10)
8. Write short notes on- (5+5=10)
 - a. Electronic fund transfer
 - b. Internet Banking

B. COM
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Duration: 20 minutes

Marks – 20

(PART A - Objective Type)

I. State true or false: (Put '√' 'Mark)

1×10=10

1. Assam Gramin Vikash Bank is a public sector bank. (True/False)
2. Commercial banks can invest in treasury bills to maintain their Statuary Liquidity Ratio. (True/False)
3. Mutual Funds can invest in money market. (True/False)
4. The Reserve Bank of India carries its operation according to the provisions of the Reserve Bank of India Act, 1934. (True/False)
5. Commercial banks grant cash credit to borrowers without any collateral securities. (True/False)
6. Gilt fund invest in corporate securities. (True/False)
7. Open ended fund are redeemed at Net Asset Value (NAV). (True/False)
8. Indigenous bankers are regulated by the Reserve Bank of India. (True/False)
9. CTS is image based clearing of cheque in India. (True/False)
10. IFSC code is an alphanumeric code that facilitates electronic funds transfer in India. (True/False)

II. Choose the correct answer:

1×10=10

1. In which of the following deposit account money is kept at regular interval for a fixed period of time?
 - a. Fixed Deposit Account
 - b. Saving Deposit Account
 - c. Recurring Deposit Account
 - d. Current Deposit Account
2. Nationalisation of banks took place in which of the following year?
 - a. 1969
 - b. 1970
 - c. 1975
 - d. 1991

3. While issuing currency notes, RBI follows which of the following reserve system?
 - a. Fixed Fiduciary System
 - b. Proportional Reserve System
 - c. Minimum Reserve System
 - d. None of the above
4. Capital market deals with-
 - a. Short term financial instruments
 - b. Medium term financial instruments
 - c. Long term financial instruments
 - d. None of the above
5. Which of the following is a feature of close ended mutual fund?
 - a. Size of the fund is not determined
 - b. Definite maturity period
 - c. Available for subscription on a continuous basis
 - d. All of the above
6. NABARD is a –
 - a. Development Bank
 - b. Commercial Bank
 - c. Cooperatives Bank
 - d. Nationalised Bank
7. Term deposits of banks are-
 - a. Assets
 - b. Liabilities
 - c. Both assets and liabilities
 - d. None of the above
8. PCooperatives Banks in India are regulated by-
 - a. National Bank for Agriculture and Rural Development
 - b. Reserve Bank of India
 - c. State Bank of India
 - d. Government of India
9. Which of the following acts as custodian of gold and foreign exchange reserve?
 - a. Reserve Bank of India
 - b. Government of India
 - c. Both(a) and (b)
 - d. None of the above
10. In which year Securities and Exchange Board of India was constituted?
 - a. 1988
 - b. 1991
 - c. 1992
 - d. None of the above
