

**BACHELOR OF COMMERCE
SECOND SEMESTER
INDIAN FINANCIAL SYSTEM
BCM – 202**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. Which of the following is a public sector bank?
 - a. ICICI Bank
 - b. UBI Bank
 - c. AXIS Bank
 - d. Federal Bank
2. Which of the following is not a regulatory agency?
 - a. SEBI
 - b. IRDAI
 - c. NSE
 - d. RBI
3. Who is the present finance minister of India?
 - a. Piyush Goyal
 - b. Arun Jaitley
 - c. P. Chidambaram
 - d. Nirmala Sitharaman
4. Which of these is not a type of Financial Assets?
 - a. Prospectus
 - b. Treasury bill
 - c. Bonds
 - d. Debentures
5. Which of the following is a Stock market index?
 - a. NIFTY 50
 - b. NASDAQ 100
 - c. SENSEX
 - d. All of the above
6. Which of the following is not a money market instrument?
 - a. Commercial paper
 - b. Bills of exchange
 - c. National Savings Certificate
 - d. Call money
7. Which of the following is not a function of SEBI?
 - a. Protective function
 - b. Statutory function
 - c. Regulatory function
 - d. Development function
8. Indicate the incorrect statement.
 - a. Treasury bills are issued as promissory notes with guaranteed repayment at a later date.
 - b. Treasury bills are issued at a premium to the face value.
 - c. Treasury bills are issued by the Reserve Bank of India on behalf of the Central Government.
 - d. Treasury bills have short term maturities with highest upto one year.
9. Which of the following is not a function of RBI?
 - a. Controlling inflation
 - b. Lender of last resort
 - c. Employment creation
 - d. Supervision of banks

10. Quantitative tool of the monetary policy of RBI includes:
 - a. Margin requirement
 - b. Statutory Liquidity Ratio
 - c. Selective credit control
 - d. Moral suasion
11. Who regulates the insurance sector in India?
 - a. SEBI
 - b. NABARD
 - c. IRDAI
 - d. PFRDA
12. The main function of NABARD is:
 - a. Research for agriculture development
 - b. Facilitating credit flow for promotion and development of agriculture
 - c. Granting crop loan to farmers
 - d. All of the above
13. Which of the following is not a characteristic of financial services?
 - a. Inseparability
 - b. Variability
 - c. Comparability
 - d. Perishability
14. Which of the following is true for a financial lease?
 - a. The lessor transfers substantially all the risks and rewards of ownership of assets to the lessee.
 - b. Such type of lease is non-cancellable
 - c. The lease rental charged by the lessor during the primary period of lease is sufficient to recover his/her investment.
 - d. All of the above
15. Which of the following is not a type of consumer finance?
 - a. Education loan
 - b. Provident fund
 - c. Credit cards
 - d. Mortgage loan
16. Which of the following is a fund-based financial service?
 - a. Credit rating
 - b. Bills discounting
 - c. Merger and acquisition
 - d. Portfolio management
17. Foreign Exchange Management Act was introduced in the year
 - a. 1974
 - b. 1997
 - c. 1999
 - d. 2000
18. Which of the following is not a derivative instrument?
 - a. Forwards
 - b. Sovereign Gold Bonds
 - c. Swaps
 - d. None of the above
19. Which of the following are traded in stock exchanges?
 - a. Options
 - b. Futures
 - c. Both a and b
 - d. Only b
20. _____ take an offsetting position in an asset or investment that reduces the price risk of an existing position.
 - a. Speculators
 - b. Hedgers
 - c. Arbitraders
 - d. Brokers

-- --- --

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

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

1. Discuss the structure of a financial system highlighting its components. 10
2. Write a note on money market. Describe any three money market instruments. 4+6=10
3. What do you mean by primary market? Discuss the methods of raising funds in the primary market. 2+8=10
4. Elaborate the functions of commercial banks. 10
5. a) Explain briefly the monetary policy of RBI. 5+5=10
b) Write a note on NABARD.
6. What is merchant banking? Compare merchant banks with commercial banks. Explain any five functions of merchant banks. 2+3+5=10
7. Write notes on the following: 5+5=10
 - a) Venture capital finance
 - b) Credit rating
8. What is foreign exchange? Explain the advantages and disadvantages of foreign exchange market. 2+8=10

= = *** = =