

M.COM
FOURTH SEMESTER
MANAGEMENT OF FINANCIAL INSTITUTIONS
MCM-405 A

Duration: 3 Hrs.

Marks: 70

{ Part : A (Objective) = 20 }
{ Part : B (Descriptive) = 50 }

[PART-B : Descriptive]

Duration: 2 Hrs. 40 Mins.

Marks: 50

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

1. What is Universal Banking? Write two advantages of Universal Banking. Also mention the RBI's guideline on Universal Banking. (2+2+6=10)
2. Explain the asset and liability management practices in banking institutions. (10)
3. State the different kinds of risk that the banking institutions are exposed to. Examine the risk management techniques adopted by them in this regard. (10)
4. What is non-performing assets? Critically discuss the recovery mechanism of NPAs. (3+7=10)
5. Distinguish between Banking and Non-Banking Financial Institutions. Discuss the role of financial institutions and their contributions towards economic development of a nation. (4+6=10)
6. Discuss the steps taken by SEBI for the regulation of mutual fund industry. (10)
7. Discuss the growth of the insurance sector of India. Also highlight provisions in Union Budget of 2017-18 relating to the sector. (5+5=10)
8. Write a comprehensive note on merger of the SBI and its Associate Banks. (10)

== *** ==

M.COM
FOURTH SEMESTER
MANAGEMENT OF FINANCIAL INSTITUTIONS
MCM-405 A

[PART-A : Objective]

Choose the correct answer from the following:

1×20=20

1. Which one of the following rate is not determined by RBI?
 a. Bank rate
 b. CRR
 c. SLR
 d. PLR
2. Which of the following is the most appropriate expression of the meaning of bank rate?
 a. It is a rate charged by the RBI for lending to commercial banks.
 b. Rate of interest offered to the depositors.
 c. Rate of interest charged by RBI when loan is granted to the government.
 d. Rate at which RBI borrows from commercial banks.
3. In order to encourage investment in the country, the RBI may:
 a. Reduce CRR
 b. Increase CRR
 c. Sell securities in the open market
 d. Increase bank rate
4. Which of the following limits the power of credit creation by commercial banks?
 a. Fiscal policy
 b. Banking law
 c. Business permission
 d. Monetary policy
5. Which of the following Acts has specially been enacted to help banks to deal with bad loans?
 a. SARFAESI Act
 b. Banking Regulation Act
 c. Negotiable Instruments Act
 d. Offshore Banking Act
6. Which of the following is not a State-level financial institution?
 a. SFC
 b. SIDC
 c. SIIC
 d. SIDBI

7. The basic criterion that was considered while nationalization of banks in 1969 was liability base banks is more than.....
 a. Rs. 30 crores or more
 b. Rs. 50 crores or more
 c. Rs. 60 crores or more
 d. Rs. 90 crores or more
8. Assets Management Company is appointed by.....
 a. Sponsor of Mutual Fund
 b. SEBI
 c. Company Law Board
 d. Central Government
9. Following on the ----- Committee's report, the Government has proposed the opening up of the insurance industry to the private sector.
 a. Malhotra
 b. Narashimham
 c. Narashimham-II
 d. Abid Hussain
10. Guidelines on Capital Adequacy Norms issued to banks in India by:
 a. World Bank
 b. RBI
 c. All India Bankers Association
 d. Ministry of Finance, Government of India
11. A bank is said to be a scheduled bank when it has a paid up capital and reserves as per the prescription of RBI and included in the ----- schedule of RBI Act 1934.
 a. I
 b. II
 c. III
 d. IV
12. Mutual funds are regulated by
 a. AMFI
 b. SEBI
 c. IRDA
 d. RBI
13. A growth fund is
 a. One in which the money is invested in equities.
 b. One in which the money is invested in government bonds.
 c. One in which the money is invested equally in equity and bonds.
 d. Money is invested only in money market instruments.
14. "Basel Committee on Banking Supervision" is also known as:
 a. Thomas Cook Committee
 b. BIS Committee
 c. Bank for International Settlements Committee
 d. Peter Cooke Committee



15. How many banks were nationalized in 2nd phase in 1980?

- a. 4
 b. 5
 c. 6
 d. 14

16. IRDA has been established in:

- a. 1998
 b. 1972
 c. 1985
 d. 1999

17. Bancassurance is:

- a. an insurance scheme to insure bank deposits.
 b. an insurance scheme exclusively for the employees of banks.
 c. a composite financial service offering both bank and insurance products.
 d. a bank deposit scheme exclusively for employees of insurance companies.

18. Which one of the following is not the objective of IRDA?

- a. To take care of the policy holders interest.
 b. To open the insurance sector for private sector.
 c. To ensure continued financial soundness and solvency.
 d. To provide loans to the insurance companies.

19. Which one of the following is the first life insurance company of India incorporated at Calcutta in 1818?

- a. Oriental Life Insurance Company Ltd.
 b. Life Insurance Corporation of India Ltd.
 c. Imperial Life Insurance Company Ltd.
 d. United India Assurance Company Ltd.

20. In which year State Bank of Indore merged with SBI?

- a. 2010
 b. 2008
 c. 2012
 d. 2017

==***==

Course :

Semester : Roll No :

Enrollment No : Course code :

Course Title :

Session : 2016-17 Date :

Instructions / Guidelines

- The paper contains twenty (20) / ten (10) questions.
- The student shall write the answer in the box where it is provided.
- The student shall not overwrite / erase any answer and no mark shall be given for such act.
- Hand over the question paper cum answer sheet (Objective) within the allotted time (20 minutes / 10 minutes) to the invigilator.

Full Marks	Marks Obtained	Remarks
20		

Scrutinizer's Signature

Examiner's Signature

Invigilator's Signature