

BACHELOR OF BUSINESS ADMINISTRATION  
FIFTH SEMESTER  
INDIAN FINANCIAL SYSTEM  
BBA – 503C

**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. ....allocates saving efficiently in an economy to ultimate users either for investment in real assets or for consumption.
  - a. Economic system
  - b. Banking system
  - c. Financial system
  - d. Market system
2. RBI started functioning on -----.
  - a. 1-4-1935
  - b. 1-4-1948
  - c. 1-4-1882
  - d. 1-4-1945
3. Which of the following is not a regulatory institutions in Indian financial system?
  - a. RBI
  - b. CIBIL
  - c. SEBI
  - d. IRDA
4. To operate as NBFC in India, one has to take license from-
  - a. SEBI
  - b. RBI
  - c. MoF
  - d. FICCI
5. Money market deals with .....instruments.
  - a. long term
  - b. medium term
  - c. short term
  - d. All of these.
6. The market for extremely short period loan is called.....
  - a. call money market
  - b. money at short notice
  - c. T-bill market
  - d. G-sec market
7. ....is a process of admitting securities for trading on a recognised stock exchange.
  - a. Registration
  - b. Filing
  - c. Listing
  - d. admission
8. Which of the following is a fee-based service?
  - a. hire purchase
  - b. Leasing
  - c. capital issue management
  - d. Underwriting.
9. Gold is.....asset
  - a. Financial asset
  - b. Non financial asset
  - c. Fictitious asset
  - d. Intangible asset

10. BOLT stands for-
- |                               |                          |
|-------------------------------|--------------------------|
| a. Borrowing or Lending Trade | b. Bombay Online Trading |
| c. Bond or Loan Tran          | d. None of the above     |
11. In depository system.....is a link between depository and the owner.
- |                           |                                |
|---------------------------|--------------------------------|
| a. Depository participant | b. Register and Transfer Agent |
| c. Issuer                 | d. Custodian.                  |
12. In financial circle, the name "Dalal Street" is used synonyms to.....
- |        |           |
|--------|-----------|
| a. BSE | b. NASDAQ |
| c. NSE | d. OTCEI  |
13. A Non Banking Financial Institution-
- |                                |  |
|--------------------------------|--|
| a. Can accept demand deposit   | b. Can issue cheques to customers                        |
| c. Cannot accept fixed deposit | d. Cannot accept demand deposit and cannot issue cheques |
14. Which of the following is not a negotiable instrument?
- |        |        |
|--------|--------|
| a. ADR | b. GDR |
| c. FDR | d. IDR |
15. The RBI's increase in the cash reserve ratio (CRR) will result in:
- |   |  |
|---|--|
| a. Reduce the amount of money in circulation in the economy | b. Increase the economy's money supply                   |
| c. There will be no effect on the economy's money supply    | d. Initially, boost the supply, but gradually reduce it. |
16. Which of these are not functions of the Reserve Bank of India?
- |                      |                               |
|----------------------|-------------------------------|
| a. Currency printing | b. Credit Controller          |
| c. Coin distribution | d. Foreign currency custodian |
17. What is the definition of a commercial bank?
- |  |  |
|--|--|
| a. An organization that is founded outside of the government in most cases | b. A legal entity that represents a group of people                      |
| c. Only India has a certain type of company structure.                     | d. A bank that accepts deposits also provides account-checking services. |
18. What is the process by which commercial banks create money?
- |                               |                           |
|-------------------------------|---------------------------|
| a. Issue of Loans             | b. Accepting New Deposits |
| c. Through Cash Reserve Ratio | d. Through Investing      |
19. NBFC is a company registered under.....
- |                            |                            |
|----------------------------|----------------------------|
| a. The Indian Contract Act | b. The Companies Act, 1956 |
| c. The RBI Act             | d. SEBI                    |
20. Which of the following combinations is correct?
- |                                |                               |
|--------------------------------|-------------------------------|
| a. NABARD---Industrial Loan    | b. RBI-----Long term Finance  |
| c. RRB-----Agriculture Finance | d. IDBI-----Short Term Loans. |

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**(Descriptive)**

Time : 2 Hr. 30 Mins.

Marks : 50

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

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|--|--------|
| 1. Write the meaning of financial system. What are the components of Indian Financial System?  | 2+8=10 |
| 2. a) Discuss the role of financial system in the economic development of the country<br>b) Give a short note on monetary policy of RBI. | 5+5=10 |
| 3. Explain briefly about Narashimham Committee Report, 1991 and 1998.  | 10     |
| 4. Explain the different financial indicators of financial system: IR, NIR, FIR, FR.   | 10     |
| 5. a) Explain briefly the financial instruments traded in money market.<br>b) Explain the structure of money market.                     | 5+5=10 |
| 6. Discuss the role of NBFCs in the development of the country   | 10     |
| 7. c) State the different fee-based and non-fee based financial services.<br>d) Elucidate the concept of NPA                             | 5+5=10 |
| 8. Define and state the differences between money market and capital market.   | 10     |

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