

**BACHELOR OF BUSINESS ADMINISTRATION  
SIXTH SEMESTER  
FINANCIAL INSTITUTIONS AND MARKETS  
BBA - 603**

**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. To constitute a person as a banking customer.....
  - a. There must be frequency of transactions
  - b. There must be a dealing of a banking nature
  - c. There must be some sort of an account
  - d. There must be a single transactions of any nature
2. ....facilitate the transfer of funds from savers to the borrowers.
  - a. Goods market
  - b. Money market
  - c. Financial market
  - d. Consumer market
3. Credit rating indicates.....of a company.
  - a. Financial status
  - b. Management efficiency
  - c. Overall efficiency
  - d. All the above
4. Which of the following is/are the features of loan from money lenders?
  - a. It has high rate of interest
  - b. There is no proper accounting
  - c. It has no transparency
  - d. All of above
5. Demand deposits include:
  - a. Saving account deposits and fixed deposits
  - b. Saving account deposits and current account deposits
  - c. Current account deposits and fixed deposits
  - d. All of the above
6. Giving permission to withdraw money by an amount more than deposited to is known as:
  - a. advance
  - b. overdraft
  - c. loan
  - d. None of these
7. In executing the standing instructions, there exists a relationship of.....
  - a. debtor and creditor
  - b. Trustee and Beneficiary
  - c. Bailee and Bailor
  - d. Agent and Principal

8. Credit rating indicates.....of a company.
  - a. Financial status
  - b. Overall efficiency
  - c. Management efficiency
  - d. All the above
9. ....is a guarantee for marketability of shares.
  - a. Listing
  - b. Underwriting
  - c. Registration
  - d. Issue by prospectus
10. The relationship between a banker and a customer primarily is.....
  - a. that of a debtor and a creditor
  - b. that of a creditor and debtor
  - c. a and b together
  - d. none of the above
11. Payment of cheque can be stopped by.....
  - a. Beneficiary
  - b. Nominee
  - c. Drawer of cheque
  - d. All of above
12. Which type of deposits earn higher interest rate?
  - a. Current account
  - b. Savings Account
  - c. Fixed Deposits
  - d. None of above
13. Call money is a loan given for a period of:
  - a. 15 days
  - b. 30 days
  - c. 1 day
  - d. 1 year
14. In order to encourage investment in the economy, the RBI may.....
  - a. Reduce CRR
  - b. Increase CRR
  - c. Sell Govt. securities in the open market
  - d. Increase bank rate
15. Which of the following banks provide long-term finance?
  - a. Exchange banks
  - b. Co-operative banks
  - c. Investment banks
  - d. Indigenous banks
16. ....is an apex institution to coordinate, supplement and integrate the activities of all existing specialised financial institutions.
  - a. IFCI
  - b. RBI
  - c. IDBI
  - d. SEBI
17. 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
18. Which of the following is not a regulatory institution?
  - a. RBI
  - b. SEBI
  - c. IRDA
  - d. IFCI

19. Which was the first commercial bank in India?
- a. Imperial Bank of India
  - b. Bank of Calcutta
  - c. Oudh Commercial Bank
  - d. Oriental Bank of Commerce
20. Commercial banks have the highest share in the disbursement of credit to.....
- a. Moneylenders
  - b. PSUs
  - c. Agriculture
  - d. Microfinance

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**( Descriptive )**

**Time : 2 Hr. 30 Mins.**

**Marks : 50**

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

1. Discuss the various functions of commercial banks. 10
2. a) Explain the different types of non-banking financial institutions (NBFCs). 8+2=10  
b) What are some KPIs that can be used to measure the performance of banks and other financial institutions?
3. Discuss how the relationship between a banker and a customer is established. 10
4. Discuss about the various classification of banks. 10
5. Discuss the parameters of CAMELS rating system that are used to evaluate bank's overall condition. 10
6. a) Describe the basic functions of merchant banks. 8+2=10  
b) What are the differences between commercial banks and merchant banks?
7. a) Describe the banking principles that support the function of lending out loans and advances. 5+5=10  
b) Briefly explain the effect of interest rates on the economy.
8. a) Describe the role of credit rating agencies. 8+2=10  
b) What do you mean by securitization?

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