

C 43570

(Pages : 3)

Name.....

Reg. No.....

FOURTH SEMESTER P.G. DEGREE EXAMINATION, APRIL 2023

(CCSS)

Economics

ECO 4E 07—INDIAN FINANCIAL SYSTEM

(2019 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

*Answer all questions.
Each question carries 1 mark.*

Multiple Choice Questions :

1. Which is the function of Central Bank ?
 - (a) Discounting bills of Exchange.
 - (b) Transfer of funds.
 - (c) Credit Creation.
 - (d) Custodian of foreign exchange.
2. Indian stock exchange among the following :
 - (a) NASDAQ.
 - (b) JSE.
 - (c) NSE.
 - (d) Euro next.
3. The Government of India was set up Narasimham Committee in :
 - (a) 1991.
 - (b) 1990.
 - (c) 1995.
 - (d) 2000.
4. During the time of inflation, the SLR will be _____.
 - (a) Increased.
 - (b) Decreased.
 - (c) Constant.
 - (d) Zero
5. Bank dealing in Commercial loans and Investment :
 - (a) Central Bank.
 - (b) EXIM bank.
 - (c) Co-operative Bank.
 - (d) Merchant Bank.

Turn over

6. A debt instrument unsecured by no collateral used by companies and government :
- (a) Debentures. (b) Treasury bills.
(c) Bill of Exchange. (d) Spot.
7. The regulator in secondary market in India ?
- (a) CAG. (b) RBI.
(c) SEBI. (d) Finance Commission.
8. A money market instrument :
- (a) Treasury bill. (b) Share.
(c) Bond. (d) Debenture.
9. Which is not the function of foreign exchange market ?
- (a) Contingent function. (b) Transfer function.
(c) Credit function. (d) Hedging function.
10. Among the following, which is not the type of exchange rate determination ?
- (a) Flexible Exchange rate. (b) Neutral Exchange rate.
(c) Managed Flexibility. (d) Fixed Exchange rate.

(10 × 1 = 10 marks)

Part B (Very Short Answer Questions)

*Answer any **five** questions.*

Each question carries 2 marks.

*Answer in one **or** two sentences each.*

11. Explain Commercial Paper ?
12. What is Micro Finance ?
13. Define the Primary market ?
14. Explain Swaps ?
15. What is Credit rating ?
16. Define Debentures ?

17. State Capital market ?
18. What is EXIM bank ?

(5 × 2 = 10 marks)

Part C (Short Answer Questions)

*Answer any **eight** questions.*

Each question carries 5 marks.

19. Describe the major divisions of banking institutions in India ?
20. Explain the quantitative and qualitative credit control of RBI ?
21. Discuss the significance of financial institutions in economic development ?
22. Explain how the Basel Norms influenced the financial sector in India ?
23. Explain the major Mutual fund schemes and products ?
24. Discuss briefly the structure of Indian financial system ?
25. Explain the money market instruments in India ?
26. State the Capital market reforms took place in India ?
27. Write a note on Collateralised borrowing and lending obligation ?
28. Which are the credit rating agencies in India ?
29. Discuss on Liquidity Adjustment Facilities and RBI ?
30. Describe foreign capital flows ?

(8 × 5 = 40 marks)

Part D (Essay Type Questions)

*Answer any **two** questions.*

Each question carries 10 marks.

31. Discuss the role of SEBI as a regulatory authority in India ?
32. Explain the features of Indian Stock Exchange ?
33. Discuss on the Primary and Secondary market India ?
34. Describe how the Global financial crisis of 2007-08 affected the global financial system ?

(2 × 10 = 20 marks)