

Name _____

Reg. No.

204579

Economics

ECO4E07—INDIAN FINANCIAL SYSTEM
(2019 Admissions)

Maximum : 80 Marks

Time : Three Hours

Part A

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

Multiple Choice Questions :

1. Who is the regulator of securities market in India ?
 - (a) CAG.
 - (b) RBI.
 - (c) SEBI.
 - (d) Finance Commission.
2. First Stock Exchange in India :
 - (a) NASDAQ.
 - (b) BSE.
 - (c) NIFTY.
 - (d) Dow Jones.
3. SEBI was established in the year :
 - (a) 1995.
 - (b) 1998.
 - (c) 1992.
 - (d) 2000.
4. Which is the short term financial instrument among the following ?
 - (a) Commercial papers.
 - (b) Treasury Bills.
 - (c) Futures.
 - (d) Derivatives.
5. Which institution maintain monetary financial stability in India ?
 - (a) Commercial Bank.
 - (b) RRBs.
 - (c) RBI.
 - (d) Co-operative Bank.

Turn over

6. The co-existence of formal and informal financial sectors are known as :
- (a) Financial intermediation. (b) Financial Dualism.
(c) Financial regulation. (d) Primary market.
7. Which is not a monetary instrument of RBI among the following ?
- (a) Cash Reserve Ratio. (b) Accounting Ratio.
(c) Statutory Liquidity Ratio. (d) Bank rate.
8. An instrument of Monetary policy introduced by RBI in 2011 :
- (a) Reverse Repo Rate. (b) CRR.
(c) Open market operations. (d) Marginal Standing Facility.
9. Which is not a primary function of commercial banks among the following ?
- (a) Transfer of funds. (b) Accepting Deposits.
(c) Giving credit. (d) Investment.
10. Which institution is the custodian of Foreign exchange ?
- (a) SEBI. (b) Central Bank.
(c) EXIM Bank. (d) World Bank.

(10 × 1 = 10 marks)

Part B (Very Short Answer Question)

Answer any five questions.

Each question carries 2 marks.

Answer in one or two sentences each.

11. Explain Life Insurance Corporation of India.
12. Define Options.
13. Give a note on Mutual Funds.
14. Give two features of Share market.
15. Explain Bombay Stock Exchange.
16. Define Merchant Bankers.

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17. State Liquidity Adjustment Facility.

18. Define Financial System.

(5 × 2 = 10 marks)

Part C (Short Answer Questions)

Answer any **eight** questions.
Each question carries 5 marks.

19. Discuss Derivatives and Derivative instruments.
20. Write a note SEBI.
21. What is Credit Rating ? Explain the Credit Rating agencies in India.
22. Describe Non-Banking Financial Companies.
23. State Debentures.
24. What are the indicators of financial development ?
25. What is Stock Exchange ? Describe the features of Stock Exchange in India ?
26. Differentiate between Primary and Secondary market.
27. Describe the major classifications of Indian Informal Financial system.
28. Explain EXIM bank. What are the objectives of EXIM banks ?
29. Explain the functions of RBI.
30. Differentiate between Money market and Capital Market.

(8 × 5 = 40 marks)

Part D (Essay Type Questions)

Answer any **two** questions.
Each question carries 10 marks..

31. Explain the structure of Indian financial system.
32. Describe the causes and consequences of Global financial crisis of 2007-08.
33. Give the major instruments of money market.
34. Explain the major classifications of Financial Market.

(2 × 10 = 20 marks)