

Program: S.Y.B.Com (A & F) Semester: IV Program Code: UGAF03
 Course: Indian Financial System Course Code: NUAF403
 Duration: 2 Hours Examination Pattern: NEP-Autonomous - External Max. Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.

Examination:
REGULAR

Q. 1	Attempt the following.	[15]	Course Outcome	Knowledge Level
	(a) Fill in the blanks with an appropriate answer from the alternatives given.	[08]		
	I Factoring mainly involves the purchase of _____ a. Fixed Assets b. Account Receivables c. Equity Shares d. Government Bonds		CO1, CO2, CO3, CO4, CO5, CO6	L1, L2
	II SEBI was established in which year? a. 1991 b. 1992 c. 1988 d. 1995			
	III _____ means to protect ourselves from any kind of price fluctuations. a. Arbitrage b. Speculation c. Hedging d. Liability			
	IV The role of _____ is that of a Financial Advisor. a. Merchant Banker b. Commercial Banker c. Lessor d. Hire Purchaser			
	V Certificates of Deposit (CDs) are issued for a minimum amount of _____ a. ₹2 lakh b. ₹10 lakh c. ₹5 lakh d. ₹1 lakh			
	VI NBFCs are incorporated under _____ a. Companies Act, 1956 b. Banking Regulation Act, 1949 c. NBFC Act, 2013 d. Companies Act, 2013			
	VII Credit Rating agencies mainly assess the _____ a. profitability of banks b. creditworthiness of borrowers c. market price of shares d. liquidity of investors			

	VIII	Which institution is responsible for issuing currency and regulating interest rates in India?			
	a.	RBI	b.	SEBI	
	c.	Ministry of Finance	d.	IRDAI	
	(b)	State whether the following statements are true or false.		[07]	
	I	One of the primary objectives of SEBI is to provide loans to companies.			CO1, CO2, CO3, CO4, CO5, CO6
	II	A Mutual Fund primarily collects money from investors to invest in a diversified portfolio of securities.			
	III	Commercial Banks do not operate for profit.			
	IV	Short-term duration and low risk are the key features of the Money Market.			
	V	Financial System is a set of complex and closely connected or intermixed institutions, agents, practices, transactions, claims and liabilities in the economy.			
	VI	One key function of the Financial System is the mobilization of savings.			
	VII	Biometric authentication and encryption technology improve security and fraud detection in financial services.			
Q. 2	Attempt the following.			[15]	Course Outcome
	(a)	Apply the concept of the Financial System to explain its meaning and key functions in the Indian economy.		[08]	CO1
	(b)	Distinguish between: Capital and Money Markets.		[07]	CO2
	OR				
	(c)	Illustrate the components of the Indian Financial System using a suitable diagrammatic representation.		[08]	CO1
	(d)	Examine the different Money Market Instruments in India and highlight their features.		[07]	CO2
Q. 3	Attempt the following.			[15]	Course Outcome
	(a)	Evaluate the various Banking and Non-banking Financial Intermediaries.		[08]	CO3
	(b)	Describe the various Fund-based and Fee-based Financial Services in the Indian Financial System.		[07]	CO5
	OR				
	(c)	Justify the role of Insurance Companies in supporting financial security and economic stability in India.		[08]	CO3
	(d)	Explain the role and functions of Credit Rating Agencies in the Indian Financial System.		[07]	CO5

Q. 4	Attempt the following.	[15]	Course Outcome	Knowledge Level
(a)	<p>Nilesh runs a small grocery store in a semi-urban area. Earlier, he accepted only cash payments and visited the bank frequently for deposits and withdrawals. After adopting digital payment systems like UPI and mobile banking, he now receives payments instantly, transfers money to suppliers online, and tracks transactions through his bank app. This has reduced his dependence on cash and improved his business efficiency.</p> <p>Questions</p> <ol style="list-style-type: none"> 1. Analyse how technology has improved Nilesh's financial transactions based on the case. 2. Apply your understanding to explain how digital payments support financial inclusion for small businesses. 3. In your opinion, what challenges might Nilesh face while using digital financial services? 	<p>[05]</p> <p>[05]</p> <p>[05]</p>	CO5	L3, L5

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