



Time: 2½ hrs.

Marks:75

- Note:**
1. All questions are compulsory with internal options.
 2. Figures to the right indicate full marks.

Q I. (A) Fill in the blanks with the appropriate answer from the alternatives given below. (08)
(Any Eight)

- 1 _____ is the market where existing securities are traded. (Secondary, Primary, Capital)
- 2 _____ means management of funds. (Finance, Cash, shares)
- 3 NBFI stands for _____. (Non- Banking Financial Institution, Non- Banking Financial Instrument, Non- Bulk Financial Institution)
- 4 RBI was established in the year _____. (1935, 1949, 1945)
- 5 _____ deals with short term claims with a maturity of less than one year. (Money market, Primary market, Capital market)
- 6 Bank issues letter of credit on behalf of their customers particularly in _____ trade. (national, international, domestic)
- 7 _____ subscribes to unsubscribe portion of securities.(Underwriter, Investor, Merchant bank)
- 8 The central banking function in India is performed by the _____. (Reserve Bank of India, state Bank of India, Bank of Maharashtra)
- 9 _____ issue are to be made out of reserves. (Bonds, Shares, Debentures)
- 10 Principle of _____ is not applicable to life insurance. (indemnity, good faith, common interest)

(B) State whether the following statements are true or false. (Any Seven) (07)

- 1 Fire insurance is a contract of indemnity.
- 2 The policy holder and the insurer must disclose all the material facts known to them.
- 3 Development banks provide risk capital to the business units.
- 4 Commercial banks maintain accounts with RBI and borrow money from it as and when required.
- 5 Liquidity is a measure of the ability and ease with which assets can be converted to cash.
- 6 Stock market has the power for stopping frauds in capital market.
- 7 Mutual funds make it easy for investors to invest in stocks and bonds.
- 8 Reinsurance means spreading risks across insured .
- 9 Fixed deposit can be withdrawn only after expiry of certain period.
- 10 Short term loans are granted to meet capital expenditure.

Q II. (A) Explain with a neat diagram the structure of Indian Financial System. (15)

OR

(B) Describe the two types of financial intermediaries. (15)

Q III. (A) Elaborate at length the significance of insurance. (08)

(B) What are the features of mutual funds? (07)

OR

(C) Mention the characteristics of development banks. (08)

(D) Describe the structure of financial market. (07)

Q IV. (A) Explain the different types of life insurance policy.

(15)

OR

(B) Highlight the primary and secondary functions of commercial banks

(15)

Q V. (A) Discuss the advantages of mutual funds.

(08)

(B) State and explain the functions of SEBI.

(07)

OR

(C) Write short notes on:- (Any Three)

(15)

- 1 Role of RBI
- 2 Factoring
- 3 Features of marine insurance
- 4 Primary market
- 5 Functions of development banks

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