

Time: 2½ hrs.

Note:

1. All questions are compulsory with internal options.
2. Figures to the right indicate full marks.
3. Draw a neat diagram wherever necessary.

Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. (Attempt any 8)

(08)

- 1) _____ deals with short-term claims with maturity of less than one year.

(a) Money market	(b) Primary market
(c) Secondary market	(d) Capital market
- 2) The central banking functions in India were performed by the _____.

(a) Central Bank of India	(b) Reserve Bank of India
(c) State bank of India	(d) Punjab national bank
- 3) _____ refers to small scale financial services for both credits and deposits.

(a) Microcredit	(b) Microfinance
(c) Cash credit	(d) Mutual funds
- 4) _____ act as intermediaries in purchase and sale of securities in the primary and secondary market.

(a) Underwriters	(b) Merchant banker
(c) Broker	(d) Factoring
- 5) The fee charged by the insurer on account of providing service is called _____.

(a) Assured	(b) Insurance
(c) Policy	(d) Premium
- 6) _____ is not the components of the financial system.

(a) Financial instruments	(b) Financial services
(c) Financial engineering	(d) Financial assets
- 7) _____ is the financial asset that derives its value from an underlying asset.

(a) Commodity	(b) Foreign exchange
(c) Derivatives	(d) Fixed income security

- 8) The monetary functions in India are performed by the _____.
 (a) Central Bank of India (b) Reserve Bank of India
 (c) State Bank of India (d) Punjab National Bank
- 9) _____ is the purchase of an exporter's receivables at a discounted price by paying cash.
 (a) Underwriters (b) Merchant Banker
 (c) Forfeiting (d) Factoring
- 10) Certificate of deposit are short term instruments issued by _____.
 (a) Development bank (b) Commercial bank
 (c) Co-operative bank (d) RRB's

(B) State whether the following statements are true or false. (Attempt any 7) (07)

- (1) Micro finance refers to small scale financial services for both Credit and deposits.
- (2) Double insurance is insurance for insurance companies.
- (3) Reinsurance is an agreement between two insurance companies for sharing risk.
- (4) The trust in mutual funds is created through a document called the trust deed.
- (5) The custodian is appointed by the board of trustees for safeguarding of physical securities.
- (6) Money market is a market for short-term instruments.
- (7) Bank assurance is insurance for an insurance company.
- (8) Venture capital is a risky capital.
- (9) Stock exchanges are not visible.
- (10) Secondary market deals with listed securities.

- Q.2 A. Explain features of financial services (08)
 B. Explain constituents of Indian financial system (07)
 OR
- Q.2 A. Explain challenges faced by the financial sector (08)
 B. Distinguish between primary and secondary market (07)
- Q.3 A. Explain role of RBI (08)
 B. Explain objectives of SEBI (07)
 OR
- Q.3 A. Explain functions of commercial bank (08)
 B. Explain functions of RBI (07)
- Q.4 A. Explain importance of money market (08)
 B. Explain functions of stock exchange (07)
 OR
- Q.4 A. Explain features of money market (08)
 B. Explain functions of capital market (07)

- Q.5 A. Explain features of mutual fund (08)
B. Explain functions of derivative market (07)
OR
Q.5 Write short notes on (Attempt any 3) (15)
(1) Commodity market
(2) Capital market
(3) NABARD
(4) IRDA
(5) Ministry of finance

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