

Time: 2½ hrs.

Marks:75

Note:

1. All questions are compulsory with internal options.
2. Figures to the right indicate full marks.
3. Draw 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) _____ is not the components of the financial system.
 - (a) Financial instruments
 - (b) Financial services
 - (c) Financial engineering
 - (d) Financial assets
- 2) _____ is the purchase of an exporter's receivables at a discounted price by paying cash.
 - (a) Underwriters
 - (b) Merchant Banker
 - (c) Forfeiting
 - (d) Factoring
- 3) Certificate of deposit are short term instruments issued by _____.
 - (a) Development bank
 - (b) Commercial bank
 - (c) Co-operative bank
 - (d) RRB's
- 4) _____ is the function of the financial system.
 - (a) Saving function
 - (b) Nationalization of financial institutions
 - (c) Establishment of Development banks
 - (d) Intermediaries control
- 5) _____ act as intermediaries in purchase and sale of securities in the primary and secondary markets.
 - (a) Underwriters
 - (b) Merchant Banker
 - (c) Broker
 - (d) Factoring
- 6) _____ is mainly used by the banks to meet their temporary requirement of cash.
 - (a) Short money
 - (b) Call money
 - (c) Put money
 - (d) Financial instruments
- 7) RBI has been given the statutory function of _____ on a monopoly basis.
 - (a) Treasury bills
 - (b) Note issue
 - (c) Promotional activities
 - (d) RRB's
- 8) _____ is an unsecured instrument issued in the form of a promissory note.
 - (a) Development banks
 - (b) Commercial Paper
 - (c) Commercial banks
 - (d) RRB's
- 9) The custodian of a mutual fund is appointed by _____.
 - (a) AMC
 - (b) Depositories
 - (c) Board of trustees
 - (d) Sponsor
- 10) The fee charged by the insurer on account of providing service is called _____.
 - (a) Assured
 - (b) Insurance
 - (c) Policy
 - (d) Premium

- (B) State whether the following statements are true or false. (Attempt any 7) (07)**
- (1) Fund based fee based are types of financial services.
 - (2) The rate at which money is made available in the call money market is called a call rate.
 - (3) Commercial papers are short term deposits which are transferable from one party to another.
 - (4) Call money is a promissory note issued by the RBI to meet the short-term requirement of funds.
 - (5) Micro finance refers to small scale financial services for both Credit and deposits.
 - (6) Equity shares or money market instruments.
 - (7) Reserve bank of India came into existence on 1st April, 1935.
 - (8) Money market is a place where the demand for supply of short-term funds are met.
 - (9) Commodities futures could be settled physically.
 - (10) Derivatives mean both commodity and financial derivatives.
- Q.2 A. Explain characteristics of financial services (08)**
B. Explain functions of financial system (07)
 OR
- Q.2 A. Explain challenges in settlement and payment system (08)**
B. Explain challenges faced by financial system (07)
- Q.3 A. Explain functions of NABARD (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 the structure of money market. (08)**
B. Explain factors responsible for growth of money market (07)
- Q.5 A. Explain functions of derivatives. (08)**
B. Explain features of mutual fund (07)
 OR
- Q.5 Write short notes on (Attempt any 3) (15)**
- (1) SEBI
 - (2) IRDA
 - (3) Venture capital
 - (4) Commodity market
 - (5) Capital market