Total number of printed pages–7

4 (Sem–3) FIM

2023

FINANCIAL INSTITUTIONS AND MARKETS

Paper : 3·6

(Finance Major)

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. *(A)* Choose the most appropriate answers from the multiple choices given against each : 1×5=5

   (i) Which one of the following is a financial asset ?

   (a) Silver

   (b) Share

   (c) Gold

   (d) Land

Contd.

(ii) The inflation-free instrument is :

(a) Option bond

(b) Index-linked gilt bond

(c) Variable rate debenture

(d) Deep discount bond

(iii) The market which greatly helps commercial banks to maintain their statutory liquidity requirement is :

(a) Call loan market

(b) Discount market

(c) Acceptance market

(d) Commercial bill market

(iv) An order for the purchase of securities at a fixed price is known as :

(a) Open order

(b) Discretionary order

(c) Stop loss order

(d) Limit order

(v) To protect the interest of investors and to promote investors' education and awareness, 'Investor Education and Protection Fund' has been set up by :

(a) Company Law Board

(b) Court

(c) Central Government

(d) SEBI

(B) State whether the following statements are true *or* false : 1×5=5

(i) Book building is a device to arrive at an offer price.

(ii) Primary market encompasses all institutions dealing in fresh issue.

(iii) At present, SBI has seven subsidiary banks.

(iv) Non-banking financial companies are financial intermediaries engaged primarily in the business of accepting deposits and delivering credit.

(v) 'Yes Bank' is a public sector bank.

2. Answer the following questions : 2×5=10

(a) State *two* features of financial instruments.

(b) Define Scheduled bank.

(c) What do you mean by listing of securities ?

(d) State the main objective of the Counter Exchange of India.

(e) Name the regulators of the financial system of India.

3. Answer ***any four*** questions : 5×4=20

(a) Describe the features of financial services.

(b) What are the primary functions of Commercial Banks ?

(c) Explain the weaknesses of Co-operative Banks.

(d) Distinguish between money market and capital market.

(e) Explain the advantages of Commercial Bill Market.

(f) Write a note on the Securities Contracts (Regulation) Act, 1956.

4. Explain the components of financial system. Trace out the development of financial system in India. 4+6=10

Or

"There is a close relationship between the financial system and economic development." Comment. 10

5. State the features of Development Banks. Discuss the promotional role of Development Banks in India. 5+5=10

Or

Explain the functions of NABARD and SIDBI. 5+5=10

6. What is New Issue Market ? Explain the various methods which are used in the floatation of securities in the new issue market. 2+8=10

Or

What is Stock Exchange ? Explain the functions of Stock Exchange. 2+8=10

7. Discuss the role of RBI as a regulator and supervisor of the financial system. 10

Or

"SEBI has played a strong role for the improvement of the secondary market in India." Comment. 10