



BRAINWARE UNIVERSITY

Course – B.COM

Indian Financial System and marketing of Banking Service Products (BCM301)

(Semester – 3)

Time Allotted: 3 hours

Full Marks: 70

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Questions)

10 x 1=10

1. *Choose the correct alternative from the following*

- i). Which of the following is regulated by RBI?
 - (a) Insurance Market
 - (b) Capital Market
 - (c) Money Market
 - (d) Foreign Exchange Market
- ii). Supervision over the depositories and stock exchanges is the role of
 - (a) RBI
 - (b) IRDA
 - (c) SEBI
 - (d) PFRDA
- iii). Which of the following is not a function of Central Banking authority in India
 - (a) Supervision over NBFC
 - (b) Supervision over the foreign Institutional Investors
 - (c) Management of Payment System
 - (d) Regulating the Money Market
- iv). Which of the following is the role of the Mutual funds
 - (a) To promote unit based schemes to inculcate savings habit
 - (b) Pooling of investors' money for investment in capital market and other securities
 - (c) Manage the funds of high net worth individuals
 - (d) All the above.

- v). Which of the following have been created to provide long term funds for Industry or Agriculture
- (a) Mutual Funds
 - (b) Financial Institutions
 - (c) Asset Management companies
 - (d) Non-bank Finance Companies.
- vi). The maximum shareholding of a stock exchange can be held by a single investor, is restricted to:
- (a) 2%
 - (b) 5%
 - (c) 10%
 - (d) 15%
- vii). The base rate for lending of banks are impacted by changing
- (a) CRR
 - (b) SLR
 - (c) Repo rate and Bank rate
 - (d) Guidelines u/s 35A of Banking Regulations Act.
- viii). Which of the following does not match?
- (a) Regulator of Insurance Market
 - (b) Regulator of Capital Market
 - (c) Regulator of Money Market
 - (d) Regulator of Foreign Exchange Market
- ix). Which of the following is not a characteristics of a bonus share/ bonus issue
- (a) It is called capitalization of reserves
 - (b) These are issued to shareholders without charging price
 - (c) These are issued out of accumulated reserves of a company
 - (d) These cannot be issued out of share premium reserve
- x). As per the regulatory requirements specified by SEBI, the debt securities (which one is correct):
- (a) Must be listed on a stock exchange if issued by way of public issue
 - (b) The debt securities must carry credit rating from any credit rating agency
 - (c) Unlisted companies cannot get their debt securities listed on a stock exchange
 - (d) Privately placed debt securities issued by a public company cannot be listed on a stock exchange

Group - B

(Short Answer Type Question)
(Answer any *three* from the following)

3 x 5 = 15

2. What are the direct instruments used by the Reserve Bank of India in the formulation and implementation of Monetary Policy? [5]
3. Write short notes on
(a) CRR, (b) SLR [2.5+2.5]
4. What are the differences between 'PRIMARY MARKET' and 'SECONDARY MARKET'? Which one is related to Secondary Market? [4+1]
5. How a Mutual fund is managed? What are the different types of mutual fund schemes? Define Net Asset Value with an example. [1.5+1.5+2]

Group - C

(Long Answer Type Question)
(Answer any *three* from the following)

3 x 15=45

6. What is 'Stock Exchange'? What are the functions of 'Stock Exchange'? What are the advantages of stock Exchange for (a) Investors, (b) Company, (c) society as a whole? What are the limitations of Stock Exchange? [1+6+4+4]
7. Write short notes on any three of the following: (a) NBFC, (b) PDs, (c) FIs, (d) Co-operative Banks, (e) CRR, (f) SLR, (g) Equity and Debt Market [5+5+5]
8. What are the role and functions of RBI? [15]
9. Give a short account of recent reforms in financial sector. [15]