



BRAINWARE UNIVERSITY

Term End Examination 2018 - 19

Programme– Bachelor of Commerce (Honours) in Banking & Financial Accounting

Course Name – Indian Financial System and Marketing of Banking Products

Course Code – BCM 301

(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 Question)

10 x 1 = 10

1. Choose the correct alternative from the following

- (i) Which of the following is not a regulatory institution in Indian Financial System
 - a. RBI
 - b. SEBI
 - c. CIBIL
 - d. IRDA
- (ii) In life insurance installment policy is also known as
 - a. Annuity Policy
 - b. Whole Life Policy
 - c. Endowment Policy
 - d. Lump Sum Policy
- (iii) Who has the statutory power to regulate and promote the Indian Capital Market
 - a. Registrar of issue
 - b. SEBI
 - c. Merchant Banks
 - d. RBI
- (iv) RBI is the lender of last resort for
 - a. Central Govt.
 - b. Stock Markets
 - c. State Govt.
 - d. Commercial Banks
- (v) Which market is known as market for old issue
 - a. Money Market
 - b. Secondary Market
 - c. Primary Market
 - d. All of the Above

- (vi) Non Banking Financial Institutions are registered under
- a. RBI Act
 - b. Companies Act
 - c. Banking Regulation Act
 - d. SEBI Act
- (vii) Floor Price means
- a. Maximum Price
 - b. Minimum Price
 - c. Average Price
 - d. All of the above
- (viii) Unsecured Debentures are also known as
- a. Registered Debentures
 - b. Naked Debentures
 - c. Bearer Debentures
 - d. Collateral Debentures
- (ix) Which of the following means temporary halt of trade in stock exchanges whenever index moves upward or downward beyond the specified limits
- a. Laddering
 - b. Circuit Breaking
 - c. Cornering
 - d. Side By Siding
- (x) For which bonds the value is inversely related to short term interest rates
- a. Fixed Rate Bonds
 - b. Perpetual Bonds
 - c. Inverse Float Bonds
 - d. Option Bonds

Group – B

(Short Answer Type Questions)

3 x 5 = 15

Answer any *three* from the following

2. (a) What is Financial System? 2
(b) What are the benefits of a good financial system? 3
3. “Commercial Banks are the hosts to economic development of a country” – Elaborate. 5
4. Explain the importance of Merchant Banking in India 5
5. (a) What is the main motive behind taking Insurance? 5
(b) What is the difference between General Insurance and Life Insurance?
6. What are the effects of Globalization on Indian Financial Markets? 5

Group – C

(Long Answer Type Questions)

3 x 15 = 45

Answer any *three* from the following

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|-----|-----|--|---|
| 7. | (a) | What do you mean by Underwriting? | 3 |
| | (b) | What is Green Shoe Option? | 4 |
| | (c) | The following underwriting process has been taken place –
A = 10,000 shares B = 6,000 shares C = 4,000 shares
In addition there is Firm Underwriting
A = 2,000 shares B = 1,000 shares C = 3,000 shares
Total subscription including firm underwriting was 17,000 shares and Marked Applications are –
A = 4,000 shares B = 2,000 shares C = 2,000 shares
Show the allocation of liability of the underwriter if the benefit of firm underwriting applications are given to individual underwriters by treating them Unmarked Forms. | 8 |
| 8. | (a) | What is Mutual Fund? | 3 |
| | (b) | Why it is beneficial to invest in mutual fund for common investors? | 5 |
| | (c) | What is the impact of NAV in pricing Mutual Fund units? | 3 |
| | (d) | Differentiate between Open Ended and Close Ended Funds. | 4 |
| 9. | (a) | What is Financial Market ? | 3 |
| | (b) | Distinguish between Capital and Money Market. | 4 |
| | (c) | Explain the money market instruments in brief. | 8 |
| 10. | (a) | What is the need of Venture Capital Funding? | 7 |
| | (b) | What are the reasons behind recent trends of NPAs of Public Banks in India? | 8 |
| 11. | | Write Short Note on - | |
| | (a) | Demerits of Leasing | 5 |
| | (b) | Book Building Process | 5 |
| | (c) | SEBI | 5 |