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BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – BBA-Hons-2023/BBA(DM)-Hons-2023
Course Name – Financial Institutions and Markets
Course Code - BBA50112/BBD50113
(Semester V)

Full Marks : 60 **Time : 2:30 Hours**

[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) 1 x 15=15

1. *Choose the correct alternative from the following :*

(i) Define the financial system.

a) Set of transport rules
b) Network of roads
c) A mechanism to transfer funds from savers to investors
d) A type of legal framework

(ii) State the full form of SEBI.

a) Securities and Exchange Board of India
b) State Economic and Budget Institute
c) Securities Evaluation Bureau of India
d) Stock and Equity Bureau of India

(iii) Define monetary policy.

a) Tax policy
b) Policy to control trade
c) Policy to control money supply and interest rates
d) Policy to control imports

(iv) Define financial liberalization.

a) Restricting capital flow
b) Control over private banks
c) Relaxation of government controls in financial sector
d) Nationalization of insurance

(v) Describe one objective of RBI's monetary policy.

a) Control stock prices
b) Promote employment and price stability
c) Manage school curriculum
d) Regulate exports

(vi) Summarize the role of SEBI in capital markets.

a) Auditing public companies
b) Supervising banks only
c) Regulating and protecting investor interests
d) Printing currency notes

(vii) Differentiate between primary and secondary markets.

a) Both involve IPOs
b) Secondary is for issuing new securities
c) Primary is for resale
d) Primary issues new; secondary enables trading of existing securities

(viii) Identify the market where bonds are traded after issue.

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a) Primary market
b) Forex market
c) Secondary market
d) Money market

(ix) Summarize the components of capital market.

a) Money market and equity
b) Primary and secondary markets
c) Banking and finance
d) Loans and deposits

(x) Summarize the key characteristic of the secondary market.

a) Issue of new securities
b) Fixed interest rate
c) Trading of previously issued securities
d) Operated by government only

(xi) Illustrate how capital markets help companies.

a) By auditing them
b) By giving subsidies
c) By raising long-term capital
d) By managing retail outlets

(xii) Summarize SEBI's role in investor protection.

a) Prints share certificates
b) Promotes fraud prevention
c) Regulates auditing bodies only
d) Controls foreign exchange

(xiii) Determine the scheme best suited for conservative investors.

a) Equity scheme
b) Hybrid scheme
c) Debt scheme
d) Index scheme

(xiv) Establish which mutual fund scheme provides exposure to both equity and debt.

a) Debt fund
b) Equity fund
c) Hybrid fund
d) Close-ended fund

(xv) Predict how SEBI regulations affect mutual fund transparency.

a) Decrease trust
b) No impact
c) Enhance transparency and investor confidence
d) Complicate investment process

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Identify the key objectives of financial sector reforms. (3)
3. Explain how SEBI protects the interests of investors. (3)
4. Explain the concept of mutual funds. (3)
5. Illustrate how Systematic Investment Plans (SIPs) work. (3)
6. Estimate the importance of securitization in the Indian financial system. (3)

OR

Estimate the impact of credit rating on investor decision-making. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

7. State the significance of liberalization in financial sector development. (5)
8. Summarize the components of the Indian capital market. (5)
9. Write a note on how merchant banks assist in mergers and acquisitions. (5)
10. Illustrate the benefits of credit rating for issuers. (5)
11. Evaluate the consequences of universal banking for systemic risk. (5)
12. Distinguish between financial inclusion and financial deepening in context of reforms. (5)

OR

Evaluate the impact of capital adequacy norms on banking stability. (5)

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