

Faculty of Commerce

End Semester Examination May 2025

CM3EA10 Financial Markets & Institutions

Programme	:	B.Com. (Hons.)	Branch/Specialisation	:	-
Duration	:	3 hours	Maximum Marks	:	60

Note: All questions are compulsory. Internal choices, if any, are indicated. Assume suitable data if necessary.
 Notations and symbols have their usual meaning.

Section 1 (Answer all question(s))				Marks	CO	BL
Q1. Financial intermediation involves-				1	1	1
<input type="radio"/> Direct lending between individual <input type="radio"/> Government taxation policies						
			<input checked="" type="radio"/> Transfer of funds between savers and borrowers through institutions <input type="radio"/> International trade agreements			
Q2. The objective of financial reforms includes:				1	2	1
<input type="radio"/> Restricting access to credit <input type="radio"/> Increasing interest rates			<input checked="" type="radio"/> Promoting financial inclusion <input type="radio"/> Decreasing savings			
Q3. The Banking Regulation Act primarily governs:				1	1	1
<input type="radio"/> Stock markets <input checked="" type="radio"/> Banking operations			<input type="radio"/> Insurance sector <input type="radio"/> Corporate affairs			
Q4. Which of the following is a type of NBFC?				1	1	1
<input type="radio"/> Commercial bank <input type="radio"/> Stock exchange			<input checked="" type="radio"/> Housing finance company <input type="radio"/> Post office			
Q5. The money market primarily deals with:				1	2	1
<input type="radio"/> Long-term investments <input type="radio"/> Equity shares			<input type="radio"/> Real estate <input checked="" type="radio"/> Short-term debt instruments			
Q6. "Repo" stands for:				1	2	1
<input type="radio"/> Real estate portfolio operations <input type="radio"/> Revenue processing office			<input checked="" type="radio"/> Repurchase agreement <input type="radio"/> Retail payment options			
Q7. The primary market deals with:				1	2	1
<input checked="" type="radio"/> Issuance of new securities <input type="radio"/> Commodity trading			<input type="radio"/> Trading of existing securities <input type="radio"/> Foreign exchange			
Q8. The capital market primarily deals with:				1	2	1
<input type="radio"/> Short-term debt <input type="radio"/> Overnight lending			<input type="radio"/> Commodity trading <input checked="" type="radio"/> Long-term debt and equity			
Q9. Commercial banks are examples of-				1	1	1
<input type="radio"/> Non-depository institutions <input checked="" type="radio"/> Depository institutions			<input type="radio"/> Investment firms <input type="radio"/> Insurance companies			

Q10. Non-depository institutions primarily-

1 1 1

- Accept deposits
- Provide financial services without accepting deposits
- Issue currency
- Regulate banks

Section 2 (Answer all question(s))

Marks CO BL

Q11. Define a financial market.

2 1 1

Q12. (a) Discuss the role of financial intermediation in the Indian economy.

8 2 2

Rubric	Marks
Each Role Carry one Mark.	8

(OR)

(b) Explain the context, need, and objectives of financial sector reforms in India.

Marks CO BL

Q13. How do NBFCs differ from banks?

2 3 4

Rubric	Marks
Difference between banks and NBFCs.(Any two Difference, each Difference carry one mark)	2

Q14. (a) Describe the role of the RBI as a central banker in the Indian economy.

8 2 2

Rubric	Marks
Each Role Carry one Mark.	8

(OR)

(b) Explain the salient provisions of the Banking Regulation Act and the RBI Act.

Marks CO BL

Q15. What is a treasury bill?

2 1 1

Rubric	Marks
Meaning of Treasury Bill.	2

Q16. (a) Describe the various segments of the money market.

8 2 2

Rubric	Marks
Each segment carry one mark.(Eight Points)	8

(OR)

(b) Elaborate on the concepts of repos and reverse repos.

Rubric	Marks
concepts of repos .(04 marks)	8
concepts of reverse repos.(04 marks)	

Section 5 (Answer all question(s))

Q17. What is the role of stock exchanges in India?

Marks CO BL
2 2 1

Rubric	Marks
Role of stock exchanges in India(Two roles, each role carry one mark)	2

Q18. (a) Explain the meaning, features and functions of capital markets.

8 2 2

Rubric	Marks
meaning of capital markets.(02 Marks)	8
features of capital markets.(03 Marks)	
functions of capital markets.(03 Marks)	

(OR)

(b) Describe the primary and secondary markets in the Indian equity market.

Rubric	Marks
Describe the primary markets in the Indian equity market. (04 marks)	8
Describe the secondary markets in the Indian equity market. (04 marks)	

Section 6 (Answer all question(s))

Q19. What is the difference between depository and non-depository institutions?

Marks CO BL
2 3 4

Rubric	Marks
difference between depository and non-depository institutions(each difference carry one mark)	2

Q20. (a) Describe the role of commercial banking in the Indian economy.

8 2 2

Rubric	Marks
Each role carry one mark.(Eight Roles)	8

(OR)

(b) Explain the diverse types of non-depository institutions and their functions.

Rubric	Marks
Types of non-depository institutions and their functions.(eight points)	8