

Enrollment No.....



Faculty of Management Studies

End Sem Examination Dec-2023

MS3EF01 Financial Markets & Institutions

Programme: BBA

Branch/Specialisation: Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. Financial system and economic development: **1**
- (a) The financial system has no impact on economic development
 - (b) A well-functioning financial system is essential for economic growth and development
 - (c) Economic development is entirely independent of the financial system
 - (d) Economic development is hindered by a robust financial system
- ii. Financial intermediation: **1**
- (a) It refers to the process of converting financial assets into physical assets
 - (b) It exclusively occurs in the stock market
 - (c) It does not play a significant role in the financial system
 - (d) It involves the flow of funds from savers to borrowers through financial intermediaries
- iii. Which act provides the legal framework for the regulation of banks in India? **1**
- (a) RBI Act
 - (b) Banking Regulation Act
 - (c) Companies Act
 - (d) Income Tax Act
- iv. One major difference between banks and NBFCs is: **1**
- (a) NBFCs can accept demand deposits, while banks cannot
 - (b) Banks are regulated by RBI, while NBFCs are not
 - (c) Banks are not allowed to give loans, while NBFCs can
 - (d) NBFCs are not involved in financial activities

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v.	What is the primary role of the money market?	1
	(a) Long-term capital investments	
	(b) Real estate transactions	
	(c) Facilitating short-term borrowing and lending	
	(d) Stock trading	
vi.	What are treasury bills?	1
	(a) Long-term corporate bonds	
	(b) Stocks of government-owned companies	
	(c) Real estate investments	
	(d) Short-term debt securities issued by the government	
vii.	One of SEBI's primary functions is:	1
	(a) Protecting the interests of investors in securities	
	(b) Regulating the banking sector	
	(c) Controlling the foreign exchange market	
	(d) Managing government finances	
viii.	What is the role of the Currency Market?	1
	(a) Trading of commodities and goods	
	(b) Exchange of foreign currencies	
	(c) Buying and selling stocks and bonds	
	(d) Real estate transactions	
ix.	Non-depository institutions would include all of the following except:	1
	(a) Insurance companies (b) Finance companies	
	(c) Credit unions (d) Pension funds	
x.	What is a primary function of depository institutions?	1
	(a) Lending money to businesses	
	(b) Facilitating the transfer of funds between savers and borrowers	
	(c) Regulating the stock market	
	(d) Managing government finances	
Q.2	i. Define the term financial system.	2
	ii. Explain any three roles of financial intermediaries in the Indian financial system.	3
	iii. Define financial system and discuss its important functions.	5
OR	iv. Discuss about the relationship between financial system and economic development.	5

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Q.3	i. Explain any two roles of RBI as a central banker.	2
	ii. What do mean by non-banking finance companies (NBFC's)? Explain their major activities.	8
OR	iii. Explain the role and functions of SEBI.	8
Q.4	i. Explain any three roles of money market.	3
	ii. Define commercial bills and certificate of deposit. Discuss their respective roles in the money market and provide examples of situations where they are commonly used.	7
OR	iii. Identify and briefly describe the major participants in the money market. Explain the roles they play in this market.	7
Q.5	i. Differentiate between the primary and secondary markets in the Indian equity market.	4
	ii. Explain the role of stock exchanges in India.	6
OR	iii. Explain the functions of the debt market in India. Discuss the types of debt instruments traded in this market and their significance in raising capital for various entities.	6
Q.6	Attempt any two:	
	i. Discuss the significance of commercial banking in the Indian economy. Explain how commercial banks contribute to economic development and financial stability.	5
	ii. Differentiate between depository and non-depository institutions.	5
	iii. Describe the types of depository institutions and their specific roles in the financial system.	5
