



[2]

- v. Which among the following is/are correct regarding Money Market? **1**  
 I. Money Market is a market for short-term funds  
 II. Maturity in this market ranging from overnight to one year  
 III. The basic function of money market is to provide efficient liquidity position for commercial banks, financial institution, Mutual funds, insurance companies, corporate etc  
 IV. Maturity in this market is above one year  
 Select the correct answer from following options:  
 (a) Only I and II (b) I, II and III  
 (c) II, III and IV (d) All are correct
- vi. Identify the money market instruments: **1**  
 (a) Call money market (b) Commercial paper  
 (c) Foreign investment policy (d) All of these
- vii. In primary markets, the property of shares which made it easy to sell newly issued security is considered as: **1**  
 (a) Increased liquidity (b) Decreased liquidity  
 (c) Money flow (d) Large funds
- viii. In capital markets, the major suppliers of trading instruments are: **1**  
 (a) Government and corporations  
 (b) Liquid corporations  
 (c) Instrumental corporations  
 (d) Manufacturing corporations
- ix. The portion of total deposits of a commercial bank which it has to keep with RBI in the form of liquidity in termed as: **1**  
 (a) CRR (b) SLR (c) Repo rate (d) Bank rate
- x. Banks implement the RBI's \_\_\_\_\_ policies. **1**  
 (a) Monetary (b) Credit  
 (c) Commercial (d) Only (a) and (b)

Q.2

Attempt any two:

- i. Write overview and structure of the Indian financial System. **5**
- ii. Explain need and objectives of the financial sector reforms. **5**  
 (Any five)
- iii. Explain the Impact of financial reforms and financial intermediaries on the economic development in the Indian context. (Any five) **5**

[3]

Q.3

Attempt any two:

- i. Explain Salient provisions of banking regulation act and RBI Act. **5**
- ii. Explain the difference between the working of Banking and NBFC's. **5**
- iii. Discuss the Functions of SEBI. **5**

Q.4

Attempt any two:

- i. Explain different types of Money market. **5**
- ii. Discuss the difference between Commercial bills and Treasury Bill markets. **5**
- iii. Explain the meaning and role of the money markets. **5**

Q.5

Attempt any two:

- i. Explain the meaning, features, functions, organization and instruments of capital market **5**
- ii. Discuss the difference between the primary and secondary markets **5**
- iii. Explain the role and functions of stock markets and SEBI. **5**

Q.6

Attempt any two:

- i. Discuss the meaning and functions of Depository and Non-depository institutions **5**
- ii. Explain different types of Depository and Non-depository institutions. **5**
- iii. Explain the role of financial institutions in the growth and development of Indian Economy. **5**

\*\*\*\*\*

## Marking Scheme

### CM3EA10 Financial Markets & Institutions

Q.1	i.	All financial intermediary institutions in the intermediation market- (a) Buy primary securities and sell secondary securities	1
	ii.	What is the primary function of large, diversified brokerage firms in the money market? (c) To make a market for money market securities by maintaining an inventory from which to buy or sell	1
	iii.	Which of the following statements is/are correct? I. NBFCs does not hold a banking license. II. NBFC can issue Demand Drafts like banks. (a) Only I	1
	iv.	Consider the following statements- I. Chit Funds are type of NBFC II. All NBFCs are ruled by RBI III. RBI said any purchase of a stake of 26% or more in a company, or a change in more than 30% of its directors, would need the central bank's permission. Which of the above statements is/are correct? (c) I, III	1
	v.	Which among the following is/are correct regarding Money Market? I. Money Market is a market for short-term funds II. Maturity in this market ranging from overnight to one year III. The basic function of money market is to provide efficient liquidity position for commercial banks, financial institution, Mutual funds, insurance companies, corporate etc IV. Maturity in this market is above one year Select the correct answer from following options: (b) I, II and III	1
	vi.	Identify the money market instruments: (a) Call money market (b) Commercial paper (c) All of these	1
	vii.	In primary markets, the property of shares which made it easy to sell newly issued security is considered as: (a) Increased liquidity	1
	viii.	In capital markets, the major suppliers of trading instruments are: (a) Government and corporations	1
	ix.	The portion of total deposits of a commercial bank which it has to	1

		keep with RBI in the form of liquidity in termed as: (b) SLR	
	x.	Banks implement the RBI's _____ policies. (d) Only (a) and (b)	1
Q.2		Attempt any two:	
	i.	Overview of the Indian financial System Explanation 3 marks Structure 2 marks	5
	ii.	Need of the financial sector reforms 2 marks Objectives of the financial sector reforms. 3 marks	5
	iii.	Impact of financial reforms and financial intermediaries on the economic development in the Indian context. Any five 1 mark for each (1 mark * 5)	5
Q.3		Attempt any two:	
	i.	Salient provisions of banking regulation act and RBI Act. 1 mark for each point (1 mark * 5)	5
	ii.	Difference between the working of Banking and NBFC's. 1 mark for each difference (1 mark * 5)	5
	iii.	Functions of SEBI 1 mark for each function (1 mark * 5)	5
Q.4		Attempt any two:	
	i.	Different types of Money market. 1 mark for each type (1 mark * 5)	5
	ii.	Difference between Commercial bills and Treasury Bill markets 1 mark for each difference (1 mark * 5)	5
	iii.	Meaning 1 marks Role of the money markets. 4 marks	5
Q.5		Attempt any two:	
	i.	Meaning of capital market 1 mark Features of capital market 1 mark Functions of capital market 1 mark Organization of capital market 1 mark Instruments of capital market 1 mark	5
	ii.	Difference between the primary and secondary markets 1 mark for each difference (1 mark * 5)	5

iii. Explain the role and functions of stock markets and SEBI. **5**

Q.6

Attempt any two:

i. Depository and Non-depository institutions **5**

Meaning 1 mark

Functions of Depository 2 marks

Functions of Non-depository institutions 2 marks

ii. Types of Depository 2.5 marks **5**

Non-depository institutions 2.5 marks

iii. Role of financial institutions in the growth and development of **5**

Indian Economy 1 mark for each (1 mark \* 5)

\*\*\*\*\*