

Enrollment No.....



Faculty of Management Studies
End Sem Examination Dec 2024
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.

	Marks	BL	PO	CO	PSO
Q.1 i. The need for financial sector reforms in India was primarily triggered by:	1	1	1	1	
(a) A global recession in the early 1990s					
(b) The economic liberalization process in 1991					
(c) The decline of agricultural productivity					
(d) Rising political instability					
ii. Financial markets are broadly classified into:	1	1	1	1	
(a) Real estate and stock markets					
(b) Money market and capital market					
(c) Domestic and international markets					
(d) Industrial and service markets					
iii. The Securities and Exchange Board of India (SEBI) is primarily responsible for:	1	1	1	2	
(a) Overseeing the stock market and protecting investor interests					
(b) Regulating the insurance sector					
(c) Formulating banking policies					
(d) Controlling currency exchange rates					
iv. The Ministry of Corporate Affairs (MCA) primarily oversees:	1	1	1	2	
(a) Banking operations					
(b) Insurance and pension schemes					
(c) Corporate governance and regulation of companies					
(d) Monetary policy formulation					

		[2]		[3]
v.	What is the maturity period of most Commercial Papers (CPs)? (a) Less than 7 days (b) Over 10 years (c) 5 years to 10 years (d) 15 days to 1 year	1	1 1 3	OR iii. Illustrate the structure of the Indian financial system with example in detail. Q.3 i. Differentiate between banks and NBFCs. ii. Define Non-Banking Financial Companies (NBFCs). Discuss their types.
vi.	Which segment of the money market is primarily used for overnight lending and borrowing? (a) Treasury Bill Market (b) Call Money Market (c) Commercial Paper Market (d) Certificate of Deposit Market	1	1 1 3	OR iii. Discuss how the RBI act 1934, defines the responsibilities, and powers of the Reserve Bank of India as the central banker.
vii.	Which of the following is an example of the secondary market in India? (a) Initial Public Offering (IPO) (b) Follow-on Public Offer (FPO) (c) Stock trading on NSE or BSE (d) Corporate bond issuance	1	1 1 4	Q.4 i. Define the concept of repo and reverse repo rate. ii. Define the money market. Discuss the various participants involved in the money market.
viii.	Which is the largest traded currency pair in the forex market? (a) USD/INR (b) EUR/USD (c) GBP/USD (d) JPY/INR	1	1 1 4	OR iii. Discuss the importance of the call money market in the money market structure.
ix.	Which of the following is NOT a function of non-depository institutions? (a) Accepting deposits (b) Providing loans and credit (c) Offering financial advice and investment management (d) Underwriting insurance policies	1	1 1 5	Q.5 i. Compare between currency market and debt market. ii. Explain the role of stock exchanges in India.
x.	Which of the following is a type of depository institution? (a) Mutual fund (b) Commercial bank (c) Pension fund (d) Investment bank	1	1 1 5	OR iii. Explain the importance of primary and secondary markets.
Q.2	i. What are the main objectives of financial sector reforms in India? ii. Write short note on: (a) Financial markets and institutions (b) Financial Intermediation	2	1 1.2 1	Q.6 Attempt any two: i. Explain the role of commercial banks in the Indian economy. ii. Explain the functions of depository institutions in the financial system. iii. Explain the various types of non-depository institutions.
		8	2 1.21 1	*****

Marking Scheme

MS3EF01 (T) Financial Markets & Institutions (T)			
		Q.5 i.	As per the Explanation
		ii.	As per the Explanation
Q.1	i)	b) The economic liberalization process in 1991	1
	ii)	b) Money market and capital market	1
	iii)	a) Overseeing the stock market and protecting investor interests	1
	iv)	c) Corporate governance and regulation of companies	1
	v)	d) 15 days to 1 year	1
	vi)	b) Call Money Market	1
	vii)	c) Stock trading on NSE or BSE	1
	viii)	b) EUR/USD	1
	ix)	a) Accepting deposits	1
	x)	b) Commercial Bank	1

Q.2	i.	As per the Explanation	2
	ii.	As per the Explanation	8
OR	iii.	As per the Explanation	8
Q.3	i	As per the Explanation	2
	ii	As per the Explanation	8
OR	iii	As per the Explanation	8
Q.4	i.	As per the Explanation	2
	ii.	As per the Explanation	8
OR	iii.	As per the Explanation	8