

Enrollment No.....



Faculty of Management Studies

End Sem (Odd) Examination Dec-2022

MS3EF01 Financial Markets &amp; 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.

- Q.1 i. Which of the following is not a regulatory institution in Indian financial system? **1**  
 (a) RBI (b) SEBI (c) CIBIL (d) IRDA
- ii. New securities are issued in- **1**  
 (a) Primary market (b) Secondary market  
 (c) Debt market (d) Currency market
- iii. Current SLR is- **1**  
 (a) 19.5 (b) 25 (c) 40 (d) 18
- iv. SEBI was established in- **1**  
 (a) 1<sup>st</sup> May 1992 (b) 12 April 1992  
 (c) 1<sup>st</sup> April 1995 (d) 12 April 1998
- v. Liquidity status of certificate of deposit which is more negotiable is considered as- **1**  
 (a) Certified liquidity (b) Less liquid  
 (c) More liquid (d) Term liquidity
- vi. Commercial paper issued with low interest rate thus commercial paper are categorized as- **1**  
 (a) Poor rating (b) Payable rating  
 (c) Commercial rating (d) Better credit rating
- vii. Which of the following statements is not true with regard to capital market? **1**  
 (a) The funds are raised for a short period of time  
 (b) Both debt and equity funds can be raised  
 (c) It is classified into two types  
 (d) All of these

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- viii. Which of the following statements is not true with regard to primary market? **1**
- (a) Is also known as the old issues market
  - (b) It facilitates the transfer of investible funds from savers to entrepreneurs
  - (c) It deals with new securities being issued for the first time
  - (d) It facilitates the transfer of investible funds from savers to entrepreneurs
- ix. Industrial Development Bank of India is- **1**
- (a) Wholly-owned Government of India undertaking
  - (b) Wholly-owned subsidiary of Reserve Bank of India
  - (c) A corporation and owned by Government of India and public sector banks
  - (d) Private sector bank
- x. All India financial Institutions are- **1**
- (a) Industrial Development Bank of India (IDBI)
  - (b) Industrial Finance Corporation of India (IFCI)
  - (c) Industrial Credit and Investment Corporation of India (ICICI)
  - (d) All of these
- Q.2 i. What is financial institutions? **2**
- ii. Explain the role of financial system in economic development. **8**
- OR iii. Explain the structure of Indian financial system. **8**
- Q.3 Write short note on any two:
- i. Role of RBI as a central banker **5**
  - ii. Financial markets **5**
  - iii. Types of NBFCs **5**
- Q.4 i. What do you mean by money market? **2**
- ii. Explain different instruments of money market. **3**
- iii. Explain the role of money market. **5**
- OR iv. Explain the features of money market. **5**
- Q.5 i. What is capital market? Explain the types of capital market. **4**
- ii. Write the difference between shares and debentures. **6**
- OR iii. Explain the role of SEBI for investors protection. **6**

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- Q.6 i. Define depository & non-depository institutions. **3**
- ii. Explain in detail depository institutions. **7**
- OR iii. Introduce and write the role of developmental financial institutions. **7**

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**Marking Scheme**  
**MS3EF01 Financial Markets & Institutions**

Q.1	i.	Which of the following is not a regulatory institution in Indian financial system? (c) CIBIL	1
	ii.	New securities are issued in- (a) Primary market	1
	iii.	Current SLR is- (a) 19.5	1
	iv.	SEBI was established in- (b) 12 April 1992	1
	v.	Liquidity status of certificate of deposit which is more negotiable is considered as- (c) More liquid	1
	vi.	Commercial paper issued with low interest rate thus commercial paper are categorized as- (d) Better credit rating	1
	vii.	Which of the following statements is not true with regard to capital market? (a) The funds are raised for a short period of time	1
	viii.	Which of the following statements is not true with regard to primary market? (a) Is also known as the old issues market	1
	ix.	Industrial Development Bank of India is- (d) Private sector bank	1
	x.	All India financial Institutions are- (d) All of these	1
Q.2	i.	Financial institutions Definition 1 mark Explanation 1 mark	2
	ii.	Role of financial system in economic development As per the explanation	8
OR	iii.	Structure of Indian financial system. 1.5 marks for each (1.5 marks * 4) Diagram 2 marks	8
Q.3		Write short note on any two:	
	i.	Role of RBI as a central banker	5

		As per the explanation	
	ii.	Financial markets	5
		As per the explanation	
	iii.	Types of NBFCs	5
		As per the explanation	
Q.4	i.	Money market definition	1 mark
		Explanation	1 mark
	ii.	Three Instruments of money market.	3
	iii.	Role of money market.	5
		Each point contains 1 mark with explanation	
OR	iv.	Features of money market.	5
		Each point contains 1 mark with explanation	
Q.5	i.	Capital market	1 mark
		Types of capital market	3 marks
	ii.	Six difference between shares and debentures.	6
OR	iii.	Role of SEBI for investors protection.	6
		1 mark for each point	
Q.6	i.	Definition depository	1 mark
		Example	0.5 marks
		Definition non-depository institutions.	1 mark
		Example	0.5 marks
	ii.	Depository institutions.	7
		Definition	1 mark
		Types	3 marks
		Explanation	3 marks
OR	iii.	Role of developmental financial institutions.	7
		Introduction	2 marks
		Five points on role	5 marks

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