

MMS/D-12

13589**MANAGEMENT OF FINANCIAL INSTITUTIONS****Paper : FM-306**

Time : Three Hours]

[Maximum marks :70

Note: Attempt *five* questions in all. Question No. 1 is compulsory. All questions carry equal marks.

1. Compulsory Question.

Write short answers of the following:

- i. Define Interest.
- ii. What are Open market operations?
- iii. What is yield of the financial security?
- iv. What is Capital adequacy?
- v. What is Credit risk?
- vi. What is Primary market?
- vii. What is NAV?

2. What is a “Financial Market”? Explain the functions performed by financial markets.

3. What is Interest rate structure? Explain the factors affecting interest rate in the financial system of a country.

4. Which are the major insurance companies in India? Explain how does the IRDA protect the interests of the insurance policy holders?

5. How does a bank manage its credit risk? Explain the RBI guidance for managing credit risk in a bank?

6. How do the mutual funds deploy their money? What are the regulations regarding the investment of mutual funds?

7. Explain the objectives and functions of IDBI.

8. Write notes on the following:

- i. Liabilities Management in a Bank.
- ii. International aspect of a Financial institution.