

Enrollment No.....



**Faculty of Management**  
**End Sem (Odd) Examination Dec-2018**  
**MS3EF01 Financial Market & Institutions**

Programme: BBA                      Branch/Specialisation: Management /  
 Finance

**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. Financial Institutions are also known as: **1**  
 (a) Financial System                      (b) Financial organization  
 (c) Financial Intermediaries                      (d) Any of these
- ii. In primary markets, property of shares which made it easy to sell newly issued security, is considered as **1**  
 (a) Increased liquidity                      (b) Money flow  
 (c) Decreased liquidity                      (d) Large funds
- iii. RBI started in which year? **1**  
 (a) 1969                      (b) 1949                      (c) 1935                      (d) 1947
- iv. In order to control credit investment, the Central Bank of a country should: **1**  
 (a) Sell securities in the open market and hike the cash reserve ratio  
 (b) Buy securities from the open market and lower the cash reserve ratio  
 (c) Buy securities from the open market and hike the cash reserve ratio  
 (d) Sell securities in the open market and lower the cash reserve ratio
- v. Commercial Paper issued with low interest rate thus commercial papers are categorized as: **1**  
 (a) Payable rating                      (b) Commercial rating  
 (c) Poor Credit rating                      (d) Better Credit rating
- vi. Certificate of deposits which are usually negotiable are issued by: **1**  
 (a) Banks                      (b) Financial Markets  
 (c) Stock Exchanges                      (d) Business Corporation
- vii. \_\_\_\_\_ is hybrid security having some characteristics of debt & some of equity. **1**

- [2]
- (a) Debenture                      (b) Warrant  
 (c) Preference share                      (d) Equity share
- viii. \_\_\_\_\_ protects the present shareholder's control & prevents dilution of their value. **1**  
 (a) Right issue                      (b) Pre-emptive rights  
 (c) Indenture                      (d) Prospectus
- ix. The first Financial Institution setup in India: **1**  
 (a) IDBI                      (b) ICICI                      (c) IRBI                      (d) IFCI
- x. Which of the following are deposit-taking institutions? **1**  
 (a) Building societies                      (b) Investment trust companies  
 (c) Pension funds                      (d) Retail banks

- Q.2 i. Define Financial Markets. Write any two types. **3**  
 ii. Explain in brief the Financial system. Describe the structure of Indian Financial System. **7**
- OR iii. Explain in detail Financial System and Economic Development. **7**
- Q.3 i. What are NBFCs? How they differ from banks? **4**  
 ii. What are the objectives of SEBI? Also write its functions. **6**
- OR iii. Describe the functions of Reserve Bank of India. Describe two Credit Control Techniques. **6**
- Q.4 i. Describe the features of T-bill. Also write its types. **4**  
 ii. What do mean by Call Money? Explain the participants in Call Money Market. **6**
- OR iii. Describe the characteristics of Money Market Instruments. **6**
- Q.5 i. Describe in brief about Stock Exchanges in India. **4**  
 ii. Differentiate between Primary Markets & Secondary Markets. **6**
- OR iii. Describe the types of Capital Market Instruments. **6**
- Q.6 Attempt any two:  
 i. What are Depository & Non-Depository Institutions? What are the types of Depository Institutions? **5**  
 ii. Explain the role of Development Financial Institutions. **5**  
 iii. Write the functions of Commercial Banking. **5**

P.T.O.

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**Marking Scheme**  
**MS3EF01 Financial Market & Institutions**

Q.1	i.	Financial Institutions are also known as: (c) Financial Intermediaries	1		Any two points 1 mark each (1 mark *2)	2 marks		
	ii.	In primary markets, property of shares which made it easy to sell newly issued security, is considered as (a) Increased liquidity	1		ii. Objectives of SEBI Any three points 1 mark each (1 mark *3)	3 marks	<b>6</b>	
	iii.	RBI started in which year? (c) 1935	1		Functions Any three points 1 mark each (1 mark *3)	3 marks		
	iv.	In order to control credit investment, the Central Bank of a country should: (a) Sell securities in the open market and hike the cash reserve ratio	1	OR	iii. Functions of Reserve Bank of India Any four points 1 mark each (1 mark *4)	4 marks	<b>6</b>	
	v.	Commercial Paper issued with low interest rate thus commercial papers are categorized as: (d) Better Credit rating	1		Two Credit Control Techniques Any two points 1 mark each (1 mark *2)	2 marks		
	vi.	Certificate of deposits which are usually negotiable are issued by: (a) Banks	1	Q.4	i. Features of T-bill Any three points 0.5 mark each (0.5 mark *4)	2 marks	<b>4</b>	
	vii.	_____ is hybrid security having some characteristics of debt & some of equity. (c) Preference share	1		Its types 1 mark for each (1 mark * 2)	2 marks		
	viii.	_____ protects the present shareholder's control & prevents dilution of their value. (b) Pre-emptive rights	1		ii. Call Money Any two points 1 mark each (1 mark *2)	2 marks	<b>6</b>	
	ix.	The first Financial Institution setup in India: (d) IFCI	1		Participants in Call Money Market Any Four points 1 mark each (1 mark *4)	4 marks		
	x.	Which of the following are deposit-taking institutions? (d) Retail banks	1	OR	iii. Characteristics of Money Market Instruments Any six points 1 mark each (1 mark *6)	6 marks.	<b>6</b>	
Q.2	i.	Financial Markets Two Types	1 mark 2 marks		Q.5	i. Stock Exchanges in India Any four points 1 mark each (1 mark *4)	4 marks	<b>4</b>
	ii.	Financial system – Structure of Indian Financial System – Each component of 1 mark (1 mark*5)	2 marks 5 marks			ii. Difference b/w Primary Markets & Secondary Markets Any six points 1 mark each (1 mark *6)	6 marks	<b>6</b>
OR	iii.	Financial System and Economic Development. Any seven points 1 mark for each	7 (1 mark * 7)		OR	iii. Types of Capital Market Instruments Any three points 2 marks each (2 marks *3)	6 marks.	<b>6</b>
Q.3	i.	NBFCs Difference from banks	2 marks		Q.6	Attempt any two: i. Depository & Non-Depository Institutions Any two points 1 mark each (1 mark *2)	2 marks	<b>5</b>
						Types of Depository Institutions Any three points 1 mark each (1 mark *3)	3 marks	
						ii. Role of Development Financial Institutions Any five points 1 mark each	(1 mark *5)	<b>5</b>
						iii. Functions of Commercial Banking. Any five points 1 mark each	(1 mark *5)	<b>5</b>
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