

B. COM
Fifth Semester
INDIAN FINANCIAL SYSTEM
(BCM - 24)

Duration: 3Hrs.

Full Marks: 70

Part-A (Objective) =20
Part-B (Descriptive) =50

(PART-B: Descriptive)

Duration: 2 hrs. 40 mins.

Marks: 50

Answer any *five* of the following questions:

1. What do mean by money market? Discuss various instruments traded in money market. (2+8=10)
2. What do you mean by open and close ended mutual fund? Explain the benefits of investment in mutual fund. (5+5=10)
3. What is liquidity? What is its significance in banking business? State the factors affecting liquidity of banks. (2+3+5=10)
4. Discuss the powers and functions of SEBI. (5+5=10)
5. Discuss the various method of credit control by RBI. (10)
6. Write short notes on- (5+5=10)
a) SFCs b) IDBI
7. What is electronic fund transfer? Discuss any two modes of Electronic fund transfer. (2+8=10)
8. Discuss the components and function of financial system. (5+5=10)

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Duration: 20 minutes

Marks – 20

(PART A- Objective Type)

I. Choose the correct answer:

1×20=20

1. Which of the following stock exchanges is the oldest one?
a) Bombay Stock Exchange b) Calcutta Stock Exchange
c) National Stock Exchange d) Guwahati Stock Exchange
2. Which of the following is not a money market instrument?
a) Commercial Paper b) Certificate Of Deposit
c) Treasury Bill d) Equity Share
3. Nationalisation of banks took place in which of the following year?
a) 1969 b) 1980
c) both a) and b) d) None of the above
4. Minimum denomination of a commercial paper is;
a) 1 lakh b) 2 lakh c) 5 lakh d) 8 lakh
5. Which of the following issues does not bring in any fresh capital?
a) Equity b) Preference c) Debenture d) Bonus
6. Which of the following is/are associate(s) of State Bank of India?
a) The State Bank of Hyderabad b) The State Bank of Mysore
c) The State Bank of Patiala d) All of the above
7. Which of the following is a private sector bank?
a) Andhra Bank b) Axis Bank
c) Bank of India d) Vijaya Bank
8. Which of the following act as custodian of gold and foreign exchange reserve?
a) The Reserve Bank of India b) The State Bank of India
c) The Government of India d) None of the above
9. Which of the following is the apex institution in the field of agricultural finance?
a) RBI b) NABARD c) LIC d) SBI
10. In which year SEBI was constituted?
a) 1995 b) 1992 c) 1991 d) 1988

11. Reverse- repo implies:
- a) Injection of liquidity in money market.
 - b) Absorption of liquidity in money market.
 - c) Injection of liquidity in capital market.
 - d) Absorption of liquidity in capital market.
12. All mutual funds in India are constituted as:
- a) Private Ltd Company
 - b) Public Ltd. Company
 - c) Trust
 - d) None of above
13. In which of the following years IDBI was established?
- a) 1964
 - b) 1987
 - c) 1990
 - d) 1955
14. Which of the following is not a function of a commercial bank?
- a) Issuing Credit Card
 - b) Setting up ATMs
 - c) Sale and purchase of fixed assets
 - d) All off the above
15. What is the minimum amount which can remitted through RTGS?
- a) 1 lacs
 - b) 2lacs
 - c) 3 lacs
 - d) 4 lacs
16. Which bank first established ATM in India?
- a) ICICI Bank
 - b) SBI
 - c) HSBC Bank
 - d) Bank of India
17. LIC was established in the year _____.
- a) 1956
 - b) 1957
 - c) 1958
 - d) 1959
18. What is the full form of MICR?
- a) Magnetic Ink Character Recognition.
 - b) Magnetic Ink Character Read.
 - c) Magnetic Ink Credit Recognition.
 - d) Magnetic Identification Character Recognition.
19. Which of the following is/are not the characteristics of treasury bills?
- a) Treasury bills have high default risk.
 - b) Treasury bills are issued at discount.
 - c) Treasury bills are issued by government.
 - d) None of the above.
20. A bank customer can undertake electronic banking by means of-
- a) Internet
 - b) Mobile
 - c) Cards
 - d) All of the above
