

**BACHELOR OF BUSINESS ADMINISTRATION
SIXTH SEMESTER
FINANCIAL INSTITUTIONS & MARKETS
BBA-603**

Duration : 3 hrs.

Full Marks: 70

[PART-A: Objective]

Time : 20 min.

Marks : 20

Choose the correct answer from the following:

1X20=20

1. _____ allocates saving efficiently in an economy to ultimate users either for investment in real assets or for consumption.
 - a. Economic system
 - b. Banking system
 - c. Financial system
 - d. Market system
2. Financial institutions are also known as _____.
 - a. Financial organization
 - b. Financial intermediaries
 - c. Financial system
 - d. Any of the above
3. Money at call and short notice is also known as-----.
 - a. Capital market
 - b. Interbank call money market
 - c. Financial system.
 - d. Financial call money
4. The primary relationship between banker and customer begins from the time
 - a. When customer visit bank
 - b. When customer have query
 - c. When customer open account
 - d. None of the above
5. A company who accepts demand deposits are called
 - a. Joint stock company
 - b. Manufacturing company
 - c. Banking company
 - d. IT company
6. "Repo Rate" refers to the rate at which
 - a. RBI borrows short term money from the markets
 - b. Banks keeps the money with RBI
 - c. Bills are discounted by RBI
 - d. Forex purchased by RBI
7. CAMELS Rating is -
 - a. A credit rating by credit rating agencies
 - b. A credit information report by credit information bureaus
 - c. A supervisory rating for bank or financial institution by financial market regulator
 - d. None of the above
8. What 'L' denotes in CAMELS rating
 - a. Liquidity
 - b. Listing
 - c. Liability
 - d. Leverage

9. How many schedules are there in bank financial statement
- a. 6
b. 5
c. 3
d. 4
10. Which one of the following is the most important relationship between banker and customer
- a. Debtors & Creditor
b. Trustee & beneficiary
c. Bailor & bailee
d. Principal & agency
11. When bank receive deposit from customer, then the bank becomes ____ of the customer
- a. Creditor
b. Bailee
c. Debtor
d. Trustee
12. Which of the following system of banking contributes to banking monopoly?
- a. Unit banking
b. Chain banking
c. Group banking
d. Branch banking
13. How many pillars were there in the Basel-II framework?
- a. Four
b. Two
c. Three
d. one
14. What is the full-form of NBFC?
- a. Non-Bank Financial Competition
b. Non-Bank Foreign Company
c. Non-Banking Financial Company
d. Non-Banking Finance Corporation
15. A _____ is a specialised firm that finances young start up firms
- a. Venture capital
b. Merchant bank
c. Banks
d. None of the above
16. _____ is a road towards high growth in economy
- a. Venture capital
b. Both a & b
c. Merchant banking
d. None of the above
17. Venture capital firms are usually organised as
- a. Closed end mutual fund
b. Limited partnership
c. corporation
d. None of the above
18. Which among the following is not one of the pillars of Basel-II framework?
- a. Minimum Capital Requirements
b. Supervisory Review
c. Market Discipline
d. All of the above

19. As per BASEL-II guidelines, the banks have to maintain a minimum capital adequacy requirement of ___ of its RWA.
- a. 7%
 - b. 9%
 - c. 8%
 - d. 10%
20. A merchant bank is a financial institution conducting money market activities and:
- a. Lending
 - b. Underwriting and financial advice
 - c. Investment service
 - d. All of the above

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(PART-B : Descriptive)

Time: 2 HRS 40 MINS

Marks : 50

[Answer question no.(1) & any four (4) from the rest]

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| 1. a) Write the salient features of Financial Institutions. b) Elaborate the important Primary functions of bank. | 4+6=10 |
| 2. Elucidate the relationship between bankers and customers. | 10 |
| 3. a) Provide the format of bank balance sheet b) Make any three schedule from the balance sheet | 4+6=10 |
| 4. Explain the CAMEL rating system in measuring banks performance | 10 |
| 5. Elaborate Group banking and explain its advantages and disadvantages. | 2+8=10 |
| 6. a) Explain the process of Credit Appraisal b) Explain the 5 C's of credit | 5+5=10 |
| 7. What is the role of BASEL II principles, elaborate the pillars of BASEL II | 5+5=10 |
| 8. Explain the features of Venture Capital and different types of venture capital | 5+5=10 |

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