

Roll No. ....

## **MS-402/FM-2104**

### **Indian Financial System**

(भारतीय वित्तीय व्यवस्था)

Master of Business Administration  
(MBA-10/12/13/16/17)

Fourth/Third Semester, Examination, 2018

**Time : 3 Hours**

**Max. Marks : 80**

**Note :** This paper is of **eighty (80)** marks containing **three (03)** Sections A, B and C. Attempt the questions contained in these Sections according to the detailed instructions given therein.

#### **Section-A**

##### **(Long Answer Type Questions)**

**Note :** Section 'A' contains four (04) long answer type questions of nineteen (19) marks each. Learners are required to answer *two* (02) questions only.

1. Define 'Money Market'. Who are the major players in the money market ? Discuss in brief, their nature and functions.
2. Discuss, in brief, various monetary policy instruments which the Reserve Bank of India uses in controlling supply on money and credit and ensuring price stability.

**(B-42) P. T. O.**

3. How has the RBI defined a 'Non-Banking Financial Company' ? Discuss in brief, nature of business of different types of NBFCs operating in India.
4. Bring out the role of the secondary market in a country's economic development.

### **Section-B**

#### **(Short Answer Type Questions)**

**Note :** Section 'B' contains eight (08) short answer type questions of eight (8) marks each. Learners are required to answer *four* (04) questions only.

1. "Financial markets, Financial services and Financial intermediaries are an integral part of the financial system." Discuss.
2. Evaluate the growth of Derivatives market in India.
3. What are the financial instruments ? Distinguish between short-term and long-term financial instruments.
4. What is primary market ? How does it differ from secondary market ?
5. Bring out the recent developments in Indian capital market.
6. What reformatory measures were undertaken during the post-liberalisation period to develop stock market in the country ?
7. Discuss the role of commercial banks in India in financing priority sectors.
8. Discuss the evolution and growth of insurance industry in India.

**Section–C**

**(Objective Type Questions)**

**Note :** Section ‘C’ contains ten (10) objective type questions of one (01) mark each. All the questions of this section are compulsory.

Indicate whether the following are True *or* False :

1. Long term financial instruments include treasury bills and commercial paper.
2. Reserve Bank of India is the Central Bank of India.
3. Merchant bank is an important capital market institution.
4. Money market is a reservoir of short term funds.
5. Term loans are provided for a period of more than five years.

Fill in the blanks :

6. Various branches of the commercial banks under ‘Branch Banking’ are spread all over the ..... .
7. For reducing the volume of credit in the economy, R. B. I. starts ..... securities under open market operation method.
8. Distinctive feature of mutual fund is sale and ..... of securities.
9. The concept of development banking was used for the first time in the post ..... world war period.
10. Insurance companies are concerned with pooling ..... of the people and investing them in productive outlets.