

Note: 1) Attempt all Questions

2) Attempt any two questions out of three in each of question 2, 3, 4 & 5

Q-1 A) Explain the following Concepts (Any Five from Eight) 10 Marks

1. Financial markets- people trade financial securities and derivatives
2. Financial Ratio (FR)-
3. Bank Rate- rate of interest which a central bank charges on its loans and advances to a commercial bank.
4. Liquidity Adjustment facility- allows banks to borrow money through repurchase agreements
5. Non Bank Finance Companies (NBFCs)- engaged in the business of loans and advances etc.
6. Capital Adequacy Ratio-Measure of a bank's available capital expressed as a percentage of a bank's risk-weighted credit exposures
7. Inflation index bonds- a security that guarantees a return higher than the rate of inflation
8. Floating rate bonds- bonds that have a variable coupon, equal to a money market reference rate

Q-1 B) Multiple Choice questions

10 Marks

1. Increase in interest
2. d) Commercial Banks
3. SEBI
4. Secondary market
5. b) Financial intermediaries
6. Government Securities
7. b) Reserve bank of India
8. c) Moral Suasion
9. a) CRISIL
10. a) The State Bank of India

Q 1 Attempt any two Questions from the following

20 Marks

1. Briefly explain the role of financial system- Credit Provision, Liquidity provision, Risk management services etc
2. Discuss the components the financial system Financial Institutions, Financial Markets, Financial Instruments (Assets or Securities), Financial Services.
3. Explain the indicators of financial development FR, FIR, NIR etc

Q 2 Attempt any two Questions from the following

20 Marks

1. Discuss the recent changes in monetary policy in India
2. What are the needs of the financial sector reforms? financial institution and markets were in a bad shape, lack of competition, low capital base, low productivity, and high intermediation costs. The role of technology was minimal, and the quality of service did not receive adequate attention. Proper risk management system.
3. Discuss briefly the features of Narasimham committee report 1991- Directed Investment Programme, Directed Credit Programme, Interest Rate Structure etc

Q 3 Attempt any two Questions from the following

20 Marks

- 2
1. Examined the functions of commercial banks in India. primary functions and secondary functions, Accepting Deposits, Advancing Loans, Agency Functions etc
 2. Briefly discuss the implementation of Basel norms in India- These are important global norms that set a common standard for banks across countries- to set common standards for banks across countries. Originally set in 1974, the most recent set of norms, called BASEL III, is likely to be implemented in India from 2019. This affects a lot of banks.
 3. Discuss Role and functions of NBFCs Mobilization of Resources - It converts savings into investments -Capital Formation - Aids to increase capital stock of a company, Provision of Long-term Credit and specialised Credit, Aid in Employment Generation, Help in development of Financial Markets etc

Q 4 Attempt any two Questions from the following

20 Marks

1. Explain the features of bonds- Set Maturity Dates Interest Payments ,Principal Investment Repayment , Credit Ratings, Minimum Investment etc
 2. Briefly explain the features of hybrid instruments fixed or floating rate of return, converting the securities into the underlying share, Capital price etc
 3. Highlight the types of new financial instruments in India
Mutual Funds, Bonds, Deposits, Cash and cash equivalents.
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