

[Time: 3.00 Hrs]

[ Marks: 75 ]

Please check whether you have got the right question paper.

**Instructions :**

1. Q1 (20 marks) & Q8 (15 marks) are compulsory.
2. Attempt Any Four (40 marks) out of Q2, Q3, Q4, Q5, Q6 and Q7.
3. Students have to attempt any four out of the remaining six questions and within each question; students have to attempt any one out of two sub – questions. Each sub – question would carry 10 Marks.
4. Figures to the right indicate full marks.
5. Draw neat diagrams wherever necessary.

**Q.1 Read and attempt the following:****(A) Multiple choice question****10 Marks**

- i. What is the primary function of the Reserve Bank of India (RBI)?  
a) To regulate the stock market b) To regulate the foreign exchange market c) To maintain the stability of the financial system d) To issue currency notes
- ii. Which of the following is not a type of financial institution in India?  
a) Commercial Bank b) Cooperative Bank c) Microfinance Institution d) Stock Broker
- iii. What is the main function of the Securities and Exchange Board of India (SEBI)?  
a) To regulate the foreign exchange market b) To regulate the stock market c) To regulate the banking sector d) To regulate the insurance sector
- iv. Which of the following is a type of clearing house in India?  
a) Clearing Corporation of India Limited (CCIL) b) National Securities Depository Limited (NSDL) c) United Stock Exchange of India Limited (USE) d) Bombay Stock Exchange Limited (BSE)
- v. What is the main function of the Financial Intelligence Unit-India (FIU-India)?  
a) To monitor and report suspicious transactions b) To provide loans to individuals c) To regulate foreign exchange transactions d) To manage foreign exchange reserves
- vi. What is the primary role of the Reserve Bank of India (RBI)?  
a) To regulate the stock market b) To regulate the money supply c) To regulate foreign exchange transactions d) To regulate the insurance sector
- vi. What is the role of RBI in promoting financial inclusion in India?  
a) To promote financial literacy b) To promote financial inclusion through microfinance initiatives c) To promote financial inclusion through banking services d) None of the above
- vii. What is RBI's role in regulating the growth of credit in India?  
a) To monitor credit growth b) To regulate interest rates charged by banks c) To regulate credit availability to certain sectors d) None of the above

**Q.P. Code: 00005416**

viii. What is RBI's role in regulating the government's borrowing programme?

- a) To regulate the amount of government borrowing b) To regulate the interest rates charged on government securities c) To regulate the auction process for government securities d) None of the above

ix. What is RBI's role in regulating foreign exchange transactions in India?

- a) To regulate foreign exchange dealers b) To regulate foreign exchange transactions c) To regulate foreign investment in India d) None of the above

x. What is the primary function of a financial intermediary?

- a) To provide liquidity to markets b) To manage risk for investors c) To facilitate transactions between parties d) To issue securities

**(B) State whether True or false.**

**10 Marks**

- i. SEBI is the Securities and Exchange Board of India.
- ii. RBI has the power to regulate foreign exchange transactions in India.
- iii. RBI is responsible for setting monetary policy in India.
- iv. RBI is not responsible for regulating payment systems in India.
- v. SEBI is responsible for regulating commodity futures market in India.
- vi. SEBI has the power to regulate initial public offerings (IPOs) in India.
- vii. SEBI is responsible for regulating alternative investment funds (AIFs) in India.
- viii. Primary market refers to the market where securities are first issued by a company.
- ix. Primary market is also known as the new issue market.
- x. Secondary market refers to the market where securities are traded among investors.

**Q.2 Attempt any Two of the following:**

**10 Marks**

- i. What are Financial Markets?
- ii. What are the important of capital market?
- iii. Write a note on Financial Guarantees Market?

**Q.3 Attempt any Two of the following:**

**10 Marks**

- i. Why RBI is called a Bankers bank?
- ii. Explain the principal step of Public issue?
- iii. Write a note on Spot Market?

**Q.4 Attempt any Two of the following:**

**10 Marks**

- i. Write a note on The National Stock Exchange (NSE)?
- ii. What are the SEBI measure for Secondary Market?
- iii. Write a note on OTC Exchange of India?

**Q.5 Attempt any Two of the following:**

**10 Marks**

- i. What are the different alternative financial products in India?
- ii. Write a note on Bonds?
- iii. Write a note on Mutual Fund?

**Q.6 Attempt any Two of the following:**

**10 Marks**

- i. Write a note on WARRANTS?
- ii. Difference between Exchange-Traded Vs. OTC Derivatives Markets?
- iii. What are the different type of Coupon?

**Q.7 Attempt any Two of the following:**

**10 Marks**

- i. What you understand by Hedge fund?
- ii. What are the features of Hedge fund?
- iii. What are the function of commercial banking?

**Q.8 Write short notes on Any three from the following:**

**15Marks**

- i. Foreign Exchange
- ii. Risk Management
- iii. Zero-Coupon Bonds
- iv. Foreign Capital
- v. Inflation-Linked Bonds

\*\*\*\*\*