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4 (Sem-3) FIAM

2021

(Held in 2022)

**FINANCIAL INSTITUTIONS
AND MARKETS**

(Finance Major)

Paper : 3-6

Full Marks : 80

Time : Three hours

***The figures in the margin indicate
full marks for the questions.***

1. Choose the correct answer : $1 \times 10 = 10$

(i) Which one of the following is a non-banking financial institution ?

(a) Assam Gramin Vikash Bank

(b) Yes Bank

(c) State Bank of India

(d) Industrial Finance Corporation of India

Contd.

(ii) Money market refers to that part of debt market where the maturity is :

- (a) Less than one year .
- (b) Less than one month
- (c) Less than six months
- (d) More than one year

(iii) Which one of the following is a financial asset ?

- (a) Silver
- (b) Share
- (c) Gold
- (d) Land

(iv) Securities and Exchange Board of India (SEBI) was established with the purpose of —

- (a) promoting the development of securities market
- (b) protecting the interest of investors in securities
- (c) Both (a) and (b)
- (d) None of the above

(v) Small industries Development Bank of India was established in the year

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- (a) 1988
 - (b) 1992
 - (c) 1990
 - (d) 1994

(vi) Which one of the following is not a Public Sector Bank ?

- (a) Canara Bank
- (b) Punjab & Sind Bank
- (c) HDFC Bank
- (d) UCO Bank

(vii) The period for call money is :

- (a) 1 to 14 days
- (b) 15 to 30 days
- (c) 1 to 3 months
- (d) None of the above

(viii) Which of the following is the oldest Stock Exchange of India?

- (a) Ahmedabad Stock Exchange
- (b) Calcutta Stock Exchange
- (c) Bombay Stock Exchange
- (d) National Stock Exchange

(ix) The Securities Contracts (Regulation) Act, 1956 came into force on :

- (a) 28th February, 1956
- (b) 20th February, 1957
- (c) 28th February, 1958
- (d) 29th February, 1960

(x) As per listing requirements of OCTEL, non-banking financial companies which are engaged in investment have to be registered with :

- (a) SEBI
- (b) RBI
- (c) The Controller of Capital issues
- (d) Any recognized Stock Exchange

2. Answer the following questions : $2 \times 5 = 10$

- (a) Explain the concept of Financial system.
- (b) State *two* features of financial instruments.
- (c) What do you mean by Secondary market?
- (d) Name *two* 'acid test' functions of a Commercial Bank.
- (e) What do you mean by Listing of Securities?

3. Answer **any four** questions from the following : $5 \times 4 = 20$

- (a) Explain the present structure of Financial system of India.
- (b) Distinguish between Capital market and Money market.
- (c) Explain the advantages of Treasury Bills.
- (d) Discuss the agency functions of a Commercial Bank.

(e) Explain in brief, the credit control measures used by the RBI.

(f) Explain the characteristics/features of financial services.

(g) Write a note on Securities Contracts (Regulation) Act, 1956.

4. Answer the following in about 600 words each : $10 \times 4 = 40$

(a) Discuss the role played by various participating institutions in the financial system. 10

Or

“A well developed financial system contributes significantly in the economic development.” Explain. 10

(b) What are the essential features of Development Bank? Discuss the Promotional role of Development Bank in India. $5+5=10$

Or

Explain the Present structure of Commercial banking in India. Distinguish between Commercial Banks and Co-operative Banks. $5+5=10$

(c) What is Stock Exchange? Discuss the various functions of a Stock Exchange. $2+8=10$

Or

What is New Issue Market? Discuss the methods of issue of stock in primary market or new issue market.

$2+8=10$

(d) Explain the powers and functions of Securities and Exchange Board of India (SEBI). 10

Or

Discuss the various aspects of the regulatory role exercised by the Reserve Bank of India. 10