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Sem-I

Fy (FM) 11/11/16

300 to

530

Intro. to Financial System

1 page

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Q.P. Code : 784502

(2½ Hours)

[Total Marks : 75

- N.B. : (1) All questions are **Compulsory**.
(2) All questions carry **equal** marks.

1. (a) Fill in the Blanks (Any Eight)

8

- _____ system is a link between the surplus economic units and deficit economic units.
- The financial markets create a basket of _____ assets.
- Money market is a _____ term market.
- When a financial instrument is first issued it is sold in the _____ market.
- The main objective of regulatory body is to ensure _____ protection.
- _____ is the national regulatory body for insurance industry.
- Instruments having the features of equity and debenture are known as _____ instruments.
- To maintain monetary stability is the role of _____.
- Commercial paper is _____ market instrument.
- _____ regulates the mutual fund industry in India.

1. (b) State whether the following statements are true or false (Any Seven)

7

- Financial instruments are not financial assets or claims.
- Capital Markets represents securities for long term.
- NHB is an apex body for agricultural finance.
- Credit rating agencies assess the creditability of the lenders.
- The secondary markets is also known as new issue market.
- SEBI is the regulator of the capital markets in India.
- The main function of PFRDA is to promote old age income security.
- ADRs are traded in the USA market.
- Money market funds invest in highly illiquid instruments.
- Preference share holders are entitled to dividend.

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2. (a) What are the functions of the financial system. **8**
- (b) Explain the various constituents of a financial system in brief. **7**
- OR**
2. Explain the role and functions of financial markets. **15**
3. (a) Who are the various participants in the derivatives market. **8**
- (b) What are the key functions performed by the financial regulators. **7**
- OR**
3. What are the various quantitative and qualitative control methods used by RBI to regulate credit and money supply. **15**
4. (a) What are the main functions of National Housing Bank. **8**
- (b) Explain how banks are the largest players in the financial system. **7**
- OR**
4. What are debt instruments ? Explain the various characteristics of debt instruments. **15**
5. (a) Write a note on various money market instruments. **8**
- (b) What are the various advantages and disadvantages of preference shares. **7**
- OR**
5. Write short note on (Any three) :- **15**
1. Indian Financial System
 2. Capital Market
 3. Commodity Market
 4. Mutual Funds
 5. RBI.
