

**Q.P. Code: 22329****Marks:75****Time: 2 ½ Hours****N.B. (1)** All questions are compulsory.**(2)** All questions carry **15 marks** each.**(1) Objectives type questions:****A. Multiple choice questions. (any 8)****8M**

a) \_\_\_\_\_ is a market for short term money and financial assets that are near substitutes for money.

- i) financial system      ii) financial market      iii) capital market      iv) money market

b) \_\_\_\_\_ refers to an increase of financial assets as a percentage of the gross domestic product.

- i) financial development      ii) financial management      iii) financial deepening  
iv) financial engineering

c) \_\_\_\_\_ of the following are in organized market.

- i) commercial banks      ii) development banks      iii) post-office saving bank operations      iv) all of the above

d) The Reserve Bank of India was founded on \_\_\_\_\_

- i) 1<sup>st</sup> april 1935      ii) 1<sup>st</sup> april 1925      iii) 1<sup>st</sup> april 1945      iv) none

e) The name bank derives from the Italian word \_\_\_\_\_

- i) banco "desk/bench"      ii) banky/branch      iii) banco "desk/branch"      iv) none

f) Development bank provides \_\_\_\_\_ finance to business units.

- i) medium and long term      ii) short term      iii) long term      iv) none

g) NBFC is a company registered under \_\_\_\_\_

- i) the Indian contract act      ii) the companies act, 1956      iii) the RBI act      iv) none

h) NABARD undertakes \_\_\_\_\_ in agriculture, rural industries.

- i) research and development      ii) planning      iii) management      iv) none

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i) SEBI is \_\_\_\_\_

- i) the securities and exchange broadcast of India
- ii) the security emergency board of India
- iii) the standards and e-commerce board of India
- iv) the securities and exchange board of India

j) Maximum limit of loan under micro finance is \_\_\_\_\_

- i) Rs. 25000      ii) Rs.50000      iii) Rs.100000      iv) Rs.500000

**B. True or false. (any 7)****7M**

- a) Economic growth and development are possible without finance.
- b) The banking system in India is the most extensive.
- c) Capital formation is the very basis for economic growth.
- d) Till 1949, RBI was the private shareholder's institution.
- e) Commercial banks are also called joint stock banks.
- f) Development bank is a multi-purpose financial institution.
- g) NBFCs are an integral part of the Indian financial system.
- h) NABARD is also known for its "SHG Bank Linkage Programme"
- i) Financial companies borrow from banks.
- j) Micro finance is a wider concept as compared to micro credit.

(2) a. Explain the functions of financial system.

**(8)**

b. Explain economic growth and economic development. Also write a brief note on economic policies of government.

**(7)****OR**

(2) c. Explain the various components of financial system.

**(8)**

d. What are the various features of financial instruments?

**(7)**

(3) a. Explain the different functions of RBI.

**(8)**

b. Explain the features of development banks.

**(7)**

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(3) c. Define “commercial banks”. Explain the various services provided by commercial banks. (8)

d. Explain the functions of development banks. (7)

(4) a. Explain the role of NBFCs. (8)

b. Explain the various functions of NABARD. (7)

**OR**

(4) c. Explain the different functions of SEBI. (8)

d. Explain the nature of NBFCs. (7)

(5) a. Write a note on any four types of risk in finance companies. (8)

b. Explain the advantages and limitations of finance companies. (7)

**OR**(5) **Short notes. (Any 3)** (15)

a. Self- Help Groups

b. 5 types of financial instruments

c. SEBI- origin and objectives

d. Underwriting

e. Sales finance companies

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