

Total No. of printed pages = 5

4 (Sem 3) FIAM

2015

**FINANCIAL INSTITUTIONS
AND MARKETS**

(Major)

Paper : 306(M)

Full Marks – 80

Time – Three hours

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

Answer *all* the questions as directed.

1. Select the most appropriate answers from the multiple choices given against each. $1 \times 5 = 5$
 - (i) The current trading cycle practised by the stock exchanges in India is :
 - (a) T + 2 days
 - (b) T + 3 days
 - (c) T + 4 days
 - (d) None of the above

[Turn over

(ii) 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

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

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

(iv) Growth fund is a mutual fund that

- (a) Assures growth in income
- (b) Invests in fixed income securities
- (c) Invests primarily in equities
- (d) Both (a) and (b)

(v) "In private placement of equity shares, issuance is done to a maximum of 100 persons." This statement is

- (a) True
- (b) False

2. Answer the following questions in about 50 words each : $2 \times 5 = 10$

- (a) Give two examples of non-fund based financial services.
- (b) State the primary functions of a commercial bank.
- (c) Define REPOS.
- (d) Why do companies issue bonus shares ?
- (e) What is an initial public offering ?

3. Answer any *five* questions in about 200 words each : $5 \times 5 = 25$

- (a) State the various indicators of financial development.
- (b) Explain the features of Treasury Bills.
- (c) Trace out the weaknesses of cooperative banks in India.

(d) Explain the mechanism of credit creation by commercial banks.

(e) What are the functions of Stock Exchange ?

(f) Write a short note on Securities Contracts Act, 1956.

(g) Narrate the procedure of issuing a commercial paper.

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

4. Discuss the role played by various participating institutions in the financial system. 10

Or

Discuss the important role of financial system for economic development of a country. 10

5. State the functions and significance of money market. 5+5=10

Or

Describe the trading procedure in the Bombay Stock Exchange (BSE). 10

6. What are the essential features of development bank ? How is it different from commercial bank ? 6+4=10

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Or

Give a brief account of evolution and growth of non-banking finance companies in India. 10

7. How does RBI influence the economy through the monetary policy ? Discuss. 10

Or

Discuss the role of SEBI in regulating the capital market. 10

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(5)

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