

F. Y. B. Com. (Financial Management) Semester I Second Half October, 2018 Introduction to Financial System Model Answer Q. P. Code 58284

Q.1.A. Fill in the blanks (Any Eight) 08 i. Financial ii. Financial iii. Borrowers iv. Market v. NBFC vi. Debt vii. Central viii. Quantitative ix. Central x. Instruments

Q.1.B. True or False (Any Seven) 07 i. F ii. T iii. F iv. F v. F, vi. F vii. T viii. T ix. F x. F

Q.2.A. Role of Fin. Sym : Sum of all elements constituting financial aspect. Role – mobilise savings, transfer of risks, create capital, economic growth, liquidity, marketability, discipline 08

Q.2.B. Classification of Financial Institutions – organised, unorganised, banks, NBFCs, insurance, government, mutual funds, schedule and non-scheduled, private, foreign

OR

Q.2.P. Financial Services – Fee Based and Fund Based – issue management, corporate advise, credit rating, mutual funds, assets securitisation, letter of credit, leasing, hire purchase, credit card, venture capital, factoring, forfeiting, bill discounting, merchant banking, custodian, portfolio management, project management 15

Q.3.A. Primary market – IPO underwriting, listing agreement, issue, allotment, prospectus, stock exchange, SEBI, depositories, custodian 08

Q.3.B. Secondary Market – derivative, option, forward, spot, future, call option, put option, broker, trader 07

OR

Q.3.P. Primary functions of commercial banks – accepting deposits and lending funds – savings, current, recurring and fixed deposits, cash credit, overdraft, term loans 08

Q.3.Q. Secondary functions of RBI – Supervisory and Developmental – audit, inspections, license, reforms, agriculture credit, credit control, NBFCs 07

Q.4.A. Departments of RBI – consumer protection, regulations, NBFC, policy, research, foreign, government bank, monetary policy, information, statistics currency chest, ombudsman, grievance, 15

OR

Q.4.P. Secondary functions of commercial banks – agency and general utility – trustee, payment of expenses, travellers cheques, advisor, investment, credit card, debit card, locker, collection, 08

Q.4.Q. Measures of credit control – quantitative and qualitative – bank rate, open market operations, crr, slr, repo and reverse repo, rediscounting, moral suation, direct action, rationing of credit, credit authorisation, 07

Q.5.A. Debt market and various securities – debentures, bonds, commercial paper, certificate deposits, inter corporate deposits, money at call and short notice, 08

Q.5.B. Kinds of financial services - issue management credit rating leasing, hire purchase, factoring, forfeiting, merchant banking, custodian, portfolio management, project management 07

OR

Q.5.P. Short notes –(Any Three $5 \times 3 = 15$)1. Money market securities – commercial papers, certificate of deposits, money market mutual fund, money at call and short notice, derivative

2. Qualitative credit control – moral suasion, direct action, rationing of credit, credit authorisation

3.NBFCs – Non-banking financial corporations – all functions of banks except immediate withdrawal and cheque, types

4. Derivatives – secondary market, option market, put and call options, future market

5. Financial Intermediaries – banks, insurance, NBFCs, foreign financial institutions