

(3 Hours)

[Total Marks : 100]

N. B. : (1) **Figures** to the **right** indicate **full** marks.

(2) Descriptive answers are assessed on quality as a whole.

SECTION – I

(40 X 1 = 40 Marks)

(A) Rewrite the sentence by choosing correct answers :

- 1) Minimum period of a Certificate of Deposit is
 - a) 15 days
 - b) 30 days
 - c) 10 days
 - d) 7 days
- 2) Hybrid capital instruments form part of _____ capital in Banks
 - a) Tier II
 - b) Tier I
 - c) Paid up
 - d) Preference share
- 3) A 'customer' of a Bank has been defined in
 - a) Banking Regulation Act
 - b) Negotiable Instruments Act
 - c) Anti- Money Laundering Act
 - d) KYC guidelines
- 4) The BSE SENSEX consists of a basket of ____ stocks.
 - a) 50
 - b) 100
 - c) 30
 - d) 66
- 5) Clause 49 of the Listing Agreement of SEBI refers to
 - a) announcing of quarterly results of listed companies
 - b) restriction of FDI in public sector banks
 - c) corporate governance and financial penalties including delisting
 - d) None of these
- 6) Which bank in India ranks number one in India in terms of market capitalization?
 - a) SBI
 - b) ICICI Bank
 - c) UTI Bank
 - d) IDBI Bank

- 7) Value added tax (VAT) is a type of tax levied on value added by any economic activity, and covers
- commodities at the manufacturing level
 - commodities at the manufacturing, wholesaling, and retailing level
 - commodities at the manufacturing and wholesaling level
 - commodities and services at the manufacturing, wholesaling, and retailing levels
- 8) As per RBI benchmark for allocation of bank credit, women beneficiaries should receive at least ____% of net bank credit.
- a) 5 b) 10 c) 15 d) 1
- 9) The Demutualisation Ordinance amending the Securities Contracts (Regulation) Act, 1956 deals with -----
- operations of foreign mutual funds in India
 - rules and regulations for issue of different securities in the capital market
 - compulsory corporatisation of stock exchanges to bring about transparency
 - process of converting paper based securities into electronic form
- 10) Which committee had recommended the amalgamation of RRBs promoted by sponsor banks?
- Mitra
 - Narasimham
 - Rakesh
 - Malhotra
- 11) NIXI stands
- National & International Exchange of India
 - National Internet Exchange of India
 - Notional Inter Exchange interest
 - None of the above
- 12) South Asian Free Trade Area (SAFTA) covers _____
- the seven countries who are members of SAARC
 - all countries in South East Asia
 - all countries in South and South-East Asia, and Australia
 - Pakistan, Bangladesh, Bhutan, Sri Lanka, Nepal and Maldives

13) Which credit card company has tied up with Railways to issue a credit cum loyalty card?

- a) ICICI Cards b) SBI Cards c) ABN Cards d) Citibank

14) The risk weightage on banks' exposure to capital market exposures is -----

- a) 100 % b) 125% c) 150% d) 200%

15) Foreign investment in private banks, including FDI, FII, NRI, etc. in India is permitted up to ____%

- a) 99 b) 74 c) 49 d) 24

16) The minimum shareholding of RBI in SBI should be ____% as per SBI Act.

- a) 50 b) 59 c) 51 d) 55

17) RBI pays interest on CRR balances of banks at _____.

- a) Bank Rate b) Repo Rate c) Bank Rate minus 1% d) Zero %

18) The Code of Bank's Commitment has been issued by

- a) RBI b) SBI c) IBA d) BCSBI

19) As per Section 19(1) of the Banking Regulation Act, 1949, para- banking activities refer to

- a) leasing
b) hire purchase finance
c) factoring
d) all of the above

- 20) Out of the following which does not form part of Basel II framework
- Minimum capital requirements
 - Asset – Liability Management
 - Market discipline
 - Supervisory review
- 21) Which Indian bank became the first bank in India to receive the loan from New Development Bank of BRICS?
- Canara Bank
 - Indian Bank
 - Axis Bank
 - New Bank of India
- 22) (e-NAM) stands for
- Electronic navigation of monetary transactions
 - National Agriculture Market portal
 - Electronic National association of Markets
 - Electronic Non Availability of Money
- 23) Name the two regulators who merged during 2015 marking the first major case of merger of two regulators in India
- Forward Markets Commission and SEBI
 - FMC and RBI
 - RBI and SEBI
 - IRDA and RBI
- 24) The Reserve Bank of India identified in 2015, two banks of the country as Domestic Systemically Important Banks (D-SIBs), whose failure would have to be prevented at any cost .They are -----
- SBI and ICICI Bank
 - SBI and RBI
 - SBI and IDBI
 - SBI and RRB
- 25) An "aggressive" common stock would have a "beta"
- Equal to zero
 - greater than one
 - less than one
 - negative
- 26) Which of the following would **NOT** improve the current ratio?
- Issue long term loans to buy raw materials
 - sell common stock
 - borrow short term funds
 - sell assets

- 27) The name of Microsoft corporation India's initiative for setting up IT kiosks in rural areas is named as -
- Aadhar
 - Saksham
 - Swadhan
 - Shakti
- 28) The Value of a forward contract at the initial stage is equal to -----
- Bid-Ask spread
 - Zero
 - Spot price minus forward price
 - Forward price
- 29) The major objective of a finance manager with reference to shareholders' wealth is
- To increase the market value of shares
 - To increase the current assets of the company
 - To increase the immovable properties of the company
 - To maintain cash balance
- 30) Other things being equal which of the following will increase the value of a bond?
- Decrease in the term of maturity
 - Increase in the premium on maturity of the bond
 - Decrease in the discount rate of the bond
 - None of these
- 31) Which of the following is an example of systematic risk?
- Reduction in tax rate by the Government
 - Sudden increase in the price of raw materials
 - Entry of a competitor
 - Death of the CEO
- 32) In a typical leveraged lease agreement there will be
- Two Parties
 - Three Parties
 - Four Parties including agent
 - More than five Parties
- 33) In Order to accept and allow a project to go ahead the -----
- $NPV > 0$
 - $NPV = 0$
 - Project should be international
 - $NPV < 0$

34) An Increasing number of microfinance institutions (MFIs) are seeking NBFC status

In India in order -----

- a) to get wide access to funding
- b) to improve their level of operations
- c) to indulge in overseas activities
- d) to compete with public sector banks

35) Mortgage relates to which type of loan among the following ?

- a) Housing loan
- b) Educational loan
- c) Car loan
- d) Gold loan

36) Which of the following rates/ratios/indexes is not directly controlled by the RBI ?

- a) Cash reserve ratio
- b) Bank rate
- c) Repo rate
- d) Wholesale price index

37) Whenever RBI does some open market operation transactions, actually it wishes to regulate which of the following?

- a) Inflation
- b) Liquidity in economy
- c) Borrowing powers of the banks
- d) Flow of foreign direct investments

38) Which of the following is highly useful for empirical analysis of the secondary data

- a) Regression
- b) Correlation
- c) Only (a)
- d) Both (a) and (b)

39) Trend analysis is useful for analyzing-----

- a) Time series data
- b) Observed data
- c) Qualitative data
- d) All of the above

40) Mixed Method in social science research involves-----

- a) Analysis of Qualitative data and Quantitative data
- b) Analysis of discreet information
- c) Only case study
- d) None of the above

Section-II**Attempt ANY THREE questions from the following****(10 X 3 =30 Marks)**

1. Critically Examine Para-Banking activities
 2. Discuss the role of capital market in Emerging markets.
 3. State and explain types of NBFCs registered with RBI
 4. Suggest practical measurers for bringing black money to India.
 5. Explain the main problems of 'Rural Credit System' in India
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Section-III**Attempt ANY TWO questions from the following****(15 X 2 =30 Marks)**

1. What are the main risks faced by banks? Explain the techniques and models used by banks for managing risk.
 2. Explain quantitative credit control measures of RBI. What are the recent changes introduced in CRR?
 3. Examine the future for mutual fund industry in India highlighting the role of investment banks.
 4. What is derivative market? Explain the scope and functions of derivative market in India .
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PE-Con. : 500-16.