



**2020/TDC (CBCS)/ODD/SEM/
COMDSE-501T(E)/353**

**TDC (CBCS) Odd Semester Exam., 2020
held in March, 2021**

COMMERCE

(5th Semester)

Course No. : COMDSE-501T(E)

**(Financial Markets, Institutions and
Financial Services)**

Full Marks : 70

Pass Marks : 28

Time : 3 hours

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

SECTION—A

Answer any *twenty* of the following as directed :

1×20=20

**1. Formal financial system consists of FIs,
financial markets, financial instruments
and ____.**

(Fill in the blank)

2. Mention one function of financial markets.

**3. Who are the producers of financial services
in the Indian Financial System?**



(2)

4. Indian Financial System comprises of both ___ and ___ sector.
(Fill in the blanks)
5. SEBI was given legal status in the year ____.
(Fill in the blank)
6. Non-banking assets and non-performing assets are synonymous.
(Write True or False)
7. Bank deposit is a non-marketable security.
(Write True or False)
8. A money market is a market for ___ term debt instruments.
(Fill in the blank)
9. The market for extremely short-period loan is called ____.
(Fill in the blank)
10. New issue market deals with ___ securities.
(Fill in the blank)
11. The facility to carry forward a transaction from one settlement period to another is known as ___ transaction.
(Fill in the blank)
12. ___ regulates the functioning of Indian Money Market.
(Fill in the blank)

10-21/404

(Continued)

(3)

13. To regulate the securities market and to protect the interest of the investors, Government of India has created ____.
(Fill in the blank)
14. Public issues involve no
(a) underwriter
(b) shareholder
(c) exchange
(d) intermediaries
(Choose the correct answer)
15. IPO stands for ____.
(Fill in the blank)
16. BSE Sensex was launched in the year ____.
(Fill in the blank)
17. Term lending institutions are ___ market intermediaries.
(Fill in the blank)
18. A development bank does not accept deposit from ____.
(Fill in the blank)
19. The main function of mutual funds is to mobilize the savings of the general public and invest the same into stock market securities.
(Write True or False)

10-21/404

(Turn Over)



(4)

20. What is the current CRR?
21. What is the full form of MCLR?
22. In Union Budget, 2021, Foreign Direct Investment (FDI) limit in insurance sector has been raised to ___ percent.
(Fill in the blank)
23. NBFCs can accept demand deposits from public.
(Write True or False)
24. Which apex institution regulates the functioning of NBFCs in India?
25. In India, the merchant banking activity was originated with the merchant banking division set up by the ___ bank.
(Fill in the blank)
26. Issue management is an important function of ___ and ____.
(a) merchant banker, lead manager
(b) public banker, merchant banker
(c) lead banker, private banking
(d) None of the above
(Choose the correct answer)

10-21/404

(Continued)

(5)

27. ___ is regarded as the fourth element of the financial system.
(Fill in the blank)
28. Investment banks are also known as ___ banks.
(Fill in the blank)
29. Loan syndication is a kind of consortium advance.
(Write True or False)
30. Name one company which is acting as merchant banker in India.
31. A merchant banker is required to have a minimum net worth of not less than ___ crore.
(Fill in the blank)
32. Merchant banking activity in India is regulated by ____.
(Fill in the blank)
33. The process of managing the sales ledger of a client by a financial service company is called ____.
(Fill in the blank)
34. Venture capitalists share the risk in the business.
(Write True or False)

10-21/404

(Turn Over)



(6)

35. Under factoring, the factor acts in the capacity of

- (a) an agent of his client
- (b) a trustee
- (c) a holder for value
- (d) an administrator

(Choose the correct answer)

36. Rating 'AAA' indicates _____ security.

(Fill in the blank)

37. Credit rating is only a current opinion of the firm's capacity to repay debt in time.

(Write True or False)

38. A letter of credit is a document from a bank that _____ payment.

(Fill in the blank)

39. The full form of HFC is _____.

(Fill in the blank)

40. CRISIL was established in the year _____.

(Fill in the blank)

10-21/404

(Continued)

(7)

SECTION—B

Answer any *five* of the following questions : 2×5=10

- 41. What do you mean by flow of funds matrix?
- 42. What is nationalization of commercial banks?
- 43. What do you mean by listing of securities?
- 44. Mention any two important functions of stock exchange.
- 45. Mention two major functions of commercial banks in India.
- 46. State any two objectives of Development Financial Institutions.
- 47. Mention any two functions of merchant banker.
- 48. What do you mean by underwriting of public issue of share?
- 49. Name two credit rating agencies operating in India.
- 50. Mention two main functions of housing finance companies.

10-21/404

(Turn Over)



(8)

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$

51. Explain the role of financial system in the Indian economy.
52. Show the classification of Indian Financial System in the form of a chart.
53. Distinguish between money market and capital market.
54. Write a note on book-building process.
55. Discuss the various schemes that can be offered by a mutual fund company in India.
56. Explain the various modes of working capital financing by commercial banks in India.
57. Briefly explain the SEBI guidelines in respect of merchant banking in India.
58. Discuss the pre-issue obligations of merchant bankers in India.
59. Explain the various stages of venture capital financing.
60. Discuss the benefits of credit ratings to rated companies.

★ ★ ★