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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA**SEM: III - THEORY EXAMINATION (2021 - 2022) (ONLINE)****Subject: Indian Financial Market and Services****Time: 02:00 Hours****Max. Marks: 100****General Instructions:**

1. *All questions are compulsory. It comprises of two Sections A and B.*
- *Section A - Question No- 1 has 35 objective type questions carrying 2 marks each.*
- *Section B - Question No- 2 has 12 subjective type questions carrying 3 marks each. You have to attempt any 10 out of 12 question.*
- *No sheet should be left blank. Any written material after a Blank sheet will not be evaluated/checked.*

SECTION A**35 x 2 = 70****1. Attempt ALL parts:-**

- | | | |
|-------|--|---|
| 1.1.a | Financial markets have the basic function of | 1 |
| | (a) bringing together people with funds to lend and people who want to borrow funds. | |
| | (b) assuring that the swings in the business cycle are less pronounced. | |
| | (c) assuring that governments need never resort to printing money. | |
| | (d) All of the above | |
| 1.1.b | Which of the following instruments is not traded in a money market? | 1 |
| | (a) Banker's acceptances | |
| | (b) U.S. Treasury Bills | |
| | (c) Eurodollars | |
| | (d) None of the above | |
| 1.1.c | Which of the following instruments is traded in a money market? | 1 |
| | (a) Banker's acceptances | |
| | (b) U.S. Treasury Bills | |
| | (c) Eurodollars | |
| | (d) Bonds | |
| 1.1.d | Which of the following instruments are traded in a capital market? | 1 |
| | (a) U.S. government agency securities | |
| | (b) Negotiable bank CDs | |
| | (c) Repurchase agreements | |
| | (d) Eurodollars | |
| 1.1.e | Which of the following instruments are traded in a capital market? | 1 |
| | (a) Corporate bonds | |
| | (b) U.S. Treasury bills | |
| | (c) Banker's acceptances | |
| | (d) Repurchase agreements | |
| 1.1.f | Bonds that are sold in a foreign country and are denominated in that country's currency are known as | 1 |
| | (a) foreign bonds | |
| | (b) Eurobonds | |

	(c) Eurocurrencies	
	(d) Eurodollars.	
1.1.g	Liberalisation aim means..	1
	(a) Socialistic pattern of society	
	(b) Economic planning	
	(c) Economic reforms	
	(d) Land reforms	
1.2.a	The Reserve Bank of India was established on _____.	1
	(a) 12875	
	(b) 30144	
	(c) 38863	
	(d) 38625	
1.2.b	India is a member of the International Monetary Fund since _____.	1
	(a) 1934	
	(b) 1935	
	(c) 1947	
	(d) 1949	
1.2.c	Reserve Bank of India notified the draft regulations relating to the Credit Information Companies (Regulation) Act, 2005...	1
	(a) 38812	
	(b) 38863	
	(c) 39262	
	(d) 38625	
1.2.d	The government has been appointed to handle the stake transfer..	1
	(a) 44376	
	(b) 44342	
	(c) 44291	
	(d) 44287	
1.2.e	Current account deposits are	1
	(a) Non repayable	
	(b) Non repayable on demand	
	(c) Repayable on demand	
	(d) None of these	
1.2.f	Repo Rate.....	1
	(a) Rate at which RBI allows temporary loan facilities to commercial banks against government securities only on the condition that the bank will repurchase the securities within a short period.	
	(b) Rate offered by banks to their prime customers.	
	(c) When any bank has excess cash, securities are bought from RBI against cash with the condition that they will resell the securities to RBI on a pre fixed day and price.	
	(d) When a bank is in need of cash it can discount bills of exchange and avail loan facilities from Reserve Bank of India.	
1.2.g	The first commercial bank incorporated by the Indians in 1881.....	1
	(a) Imperial Bank Of India	
	(b) Awadh Commercial Bank	
	(c) Reserve Bank Of India	
	(d) State Bank Of India	

1.3.a	SEBI stands for Securities and exchange board of India (a) TRUE (b) FALSE	1
1.3.b	Reasons is not responsible for the ups and downs in the Sensex.. (a) Rain (b) Monetary policy (c) Political instability (d) None of the following	1
1.3.c	The following TERM does not belong to the stock exchange... (a) NAV (b) NSE (c) IPO (d) KPO	1
1.3.d	Nifty was established in ... (a) 1996 (b) 1952 (c) 1965 (d) None of these	1
1.3.e	The first computerized online stock exchange in India was.... (a) NSE (b) OTCEI (c) BSE (d) MCX	1
1.3.f	Derivative is not traded on Indian Stock Market.... (a) Index Options (b) Stock Futures (c) Index Futures (d) Forward Rate Agreements	1
1.3.g	The money market where debt and stocks are traded and maturity period is more than a year is classified as (a) shorter term markets (b) capital markets (c) counter markets (d) long-term markets	1
1.4.a	Microfinance is a Banking service provided to unemployed or low-income individuals or groups. (CO4) (a) TRUE (b) FALSE	1
1.4.b	Full form of SHGs Self holding groups (CO4) (a) TRUE (b) FALSE	1
1.4.c	Loans to poor people by banks have many limitations including lack of security and high operating cost. So to help them which type of finance system developed ? (a) Ponzi schemes (b) Micro Finance System (c) Money Laundering Schemes (d) Money tampering finance	1

- 1.4.d Micro Finance concept was introduced in Bangladesh in the form of the "Grameen Bank"? He is the Nobel laureate known by many as the "father of micro finance systems". 1
- (a) C. D. Deshmukh
 - (b) Amartya Sen
 - (c) Muhammad Yunus
 - (d) Sheik Haseena
- 1.4.e The beneficiaries of Micro finance business are _____. 1
- (a) Land Less labour
 - (b) Marginal farmers
 - (c) Vendors in the small markets
 - (d) All the above
- 1.4.f The Micro Finance Institutions (MFI) differ from one another in terms of 1
- (a) Product offering
 - (b) Loan repayment Structure
 - (c) Product offerings
 - (d) All of these
- 1.4.g One of the delivery channel for Micro Finance is SHG model. SHG means ? 1
- (a) Soar Help Group
 - (b) Sake Help Group
 - (c) Self Hope Group
 - (d) Self Help Group
- 1.5.a Master policy is issued for _____. 1
- (a) term insurance schemes.
 - (b) Permanent insurance.
 - (c) Group insurance schemes
 - (d) Individual policy.
- 1.5.b The insurance plays a role in the economic development of the country in following Ways _____. 1
- (a) Releases capital for new investments.
 - (b) The job potential increases.
 - (c) Money collected is invested in infrastructure.
 - (d) All of the above.
- 1.5.c On the death of the bread-earner, two losses occur in the family one is loss of human life and the other is _____. 1
- (a) Earning power of family.
 - (b) Loss of insurance.
 - (c) Loss of investment.
 - (d) Loss of bank deposits.
- 1.5.d Valuation in life insurance means _____. 1
- (a) The process of arriving at the profit of a life insurance company.
 - (b) The process of determining the net premium for a life insurance policy.
 - (c) The process of arriving at the bonus in a life insurance company.
 - (d) The process by which the value of all the existing policies is ascertained in a life insurance company.
- 1.5.e Group insurance is ideally suited for covering _____. 1
- (a) Affluent person in the society.
 - (b) Weaker sections of the society.

- (c) Employer-employee groups.
(d) Both (2) and (3).
- 1.5.f For settlement of claims, Insurer requires proper knowledge of _____. 1
 (a) Law, principles and practice of insurance.
 (b) Law only.
 (c) Principles and practice of insurance.
 (d) Law, principles, practice of insurance, terms and conditions of policies, extensions and modifications.
- 1.5.g The burden of proof of the loss within the scope of policy is upon the _____. 1
 (a) Insurer.
 (b) Insured.
 (c) Surveyor.
 (d) Defence Lawyer.

SECTION B

10 X 3 = 30

2. Answer any TEN of the following:-

- | | | |
|-------|--|---|
| 2.1.a | Define banks. | 2 |
| 2.1.b | Define banker. (CO1) | 2 |
| 2.2.a | Tell the formation year of Reserve Bank of India (RBI). (CO2) | 2 |
| 2.2.b | Discuss Reserve Bank of India.(CO2) | 2 |
| 2.2.c | Give two importance of RBI.(CO2) | 2 |
| 2.3.a | “Money Market is a market for short-term funds”. Comment.(CO3) | 2 |
| 2.3.b | Define commercial paper.(CO3) | 2 |
| 2.3.c | Discuss treasury bills.(CO3) | 2 |
| 2.4.a | Define microfinance.(CO4) | 2 |
| 2.4.b | Discuss the types of microfinance.(CO4) | 2 |
| 2.5.a | Define the term “Insurance”.(CO5) | 2 |
| 2.5.b | Define the term “Life Insurance”.(CO5) | 2 |