

2021

INDIAN FINANCIAL SYSTEM—HONOURS

Paper : CC-3.2ch.

Full Marks : 80

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Group-A

Answer any four questions.

1. (a) Write a note on the role played by the financial system in the economic development of a country. 6
(b) Give an outline of the structure of the financial system. 4
2. (a) Mention four functions of a money market. 4
(b) Write a note on the call money market in India. 6
3. (a) What do you mean by a merchant bank? How are merchant banks different from commercial banks? 2+2
(b) Give an outline of the SEBI regulations relating to merchant banks. 6
4. (a) Discuss the objectives and limitations of credit rating. 3+3
(b) Do credit rating agencies improve the functioning of the capital market? Explain briefly. 4
5. (a) What do you mean by 'investor protection'? Why is investor protection necessary for the development of capital market? 2+4
(b) Discuss the role of the media in investor protection. 4
6. (a) Discuss the recent changes that have taken place in Indian capital market. 8
(b) Name two instruments of debt market. 2
7. (a) What do you mean by 'Development Financial Institutions' (DFI)? State the functions of a DFI. 2+3
(b) Write a short note on NABARD. 5
8. (a) Discuss the process of book building issue mechanism. 6
(b) Distinguish between money market and capital market. 4

Please Turn Over

Group-B

Answer *any two* questions.

9. (a) Explain the credit creation mechanism of commercial banks and its limitations. (12+4)
(b) Explain the relationship between cash reserve ratio and the power of commercial banks to create credit. 4
10. (a) Discuss the role played by mutual funds in developing the capital market. 10
(b) Write short notes on: 5+5
(i) SIDBI
(ii) GIC.
11. (a) Give a brief account on Indian Debt market. 10
(b) Discuss the functions of commercial banks. 10
12. Write short notes on: 5×4
(a) Certificate of Deposit
(b) Brokers
(c) Grievances regarding new issue market
(d) Repo and Reverse Repo.
-