

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
FY BBA(FS), Semester- I (REGULAR) Semester End Assessment November 2022
BFS CC14: INDIAN FINANCIAL SYSTEM

Duration: 2 Hours

Maximum Marks: 60

Instructions:

- *Start each question on fresh page.*
- *Figures to the right indicate maximum marks.*
- *Q1 is compulsory*
- *Answer any FOUR from Q 2 to Q.6*

Q1. Write a short note on any FIVE of the following:**(5*4 = 20 Marks)**

- a. Fee Based Financial Services
- b. National Housing Bank (NHB)
- c. Financial rate of Return
- d. Sukanya Samriddhi Yojana
- e. Difference Between Banking and Non-Banking Financial Institutions
- f. Money Market

Q1. A financial system acts as an intermediary and facilitates the flow of funds from the areas of surplus to the areas of deficit. In the light of above statement explain the functions of Financial System. **(10 Marks)**

Q2. Problems in financial systems not only disrupt financial intermediation, but they can also undermine the effectiveness of monetary policy, exacerbate economic downturns, trigger capital flight and exchange rate pressures, and create large fiscal costs. In the view of above given statement, highlight the weakness of Indian Financial System. **(10 Marks)**

Q3. Ganesh Steel Ltd.' is a large and creditworthy company manufacturing steel for the Indian market. It now wants to cater to the Asian market and decides to invest in new hi-tech machines. Since the investment is large, it requires long-term finance. It decides to raise funds by issuing equity shares. The issue of equity shares involves huge floatation cost. To meet the expenses of floatation cost the company decides to tap the money- market. Explain the various types of short term instruments that can be used for raising fund by Ganesh Steel Ltd. **(10 Marks)**

Q4. The development banks are in charge of providing medium and long-term financing to the industrial and agricultural sectors. Explain the Development finance institutions owned by the government which facilitates credit facilities to housing, Rural development, Agriculture and trade sector. **(10 Marks)**

Q5. The development of financial system is driven by role played by various participants. In context to the above statement state and explain the participants in the secondary market. **(10 Marks)**

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