

2018

**INDIAN FINANCIAL SYSTEM AND
FINANCIAL MARKET OPERATION — HONOURS**

Seventh Paper

(A – 33 – A)

(Accounting and Finance)

Full Marks – 100

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

1. What is finance ? Distinguish between direct and indirect finance. 2+3
Or
Discuss the role of financial intermediaries. 5
2. What are the objectives of LIC (Life Insurance Corporation of India) ? 5
Or
Discuss in brief the functions of GICI (General Insurance Corporation of India). 5
3. What are the advantages of investing in mutual funds ? 5
4. Briefly discuss the functions of financial markets. 5
Or
Write a note on Indian Debt Market. 5
5. How do merchant banks differ from commercial banks ? 5
Or
Enumerate the major financial services provided by the merchant banks. 5
6. Explain the importance of credit rating. 5

[Turn Over]

Group – B

7. What is development bank ? Discuss the role of development banks in the economic development of India. 2+8

Or

- (a) State the objectives of SIDBI.
 (b) Discuss the functions of NABARD in rural development. 4+6

8. (a) What is interest rate ? What are the differences between nominal and real interest rate ?
 (b) Discuss the causes behind the variation in interest rate. (2+2)+6

9. (a) Distinguish between organized and unorganized money markets.
 (b) Write a brief note on Commercial Paper. 5+5

Or

- (a) Give an overview of Indian Treasury Bill Market.
 (b) Briefly discuss the shortcomings of Indian money market. 5+5

10. (a) Mention the important grievances relating to stock exchanges dealings.
 (b) Discuss briefly the role of judiciary in investors' protection. 4+6

Group – C

11. (a) Explain the process of credit creation by the commercial banks.
 (b) Discuss the alternative measures to money supply in India. 8+7

Or

(a) Explain the credit control measures adopted by the Reserve Bank of India (RBI).
 (b) Give a brief outline of the supervisory functions of RBI. 10+5

12. (a) Explain the book building method in new issue market.
 (b) Discuss the functions of brokers and sub-brokers in Indian Capital market. 7+(4+4)

Or

(a) Discuss the functions of secondary capital market.
 (b) Explain the relationship between primary market and secondary market.
 (c) Give an overview of institutional investors in Indian capital market. 6+5+4