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(May/June)

COMMERCE

(Honours)

(Indian Financial System)

(BC-204)

(Under Revised Syllabus)

Marks : 75

Time : 3 hours

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

1. (a) What is a financial system? Discuss the components of a formal financial system. 2+6=8
- (b) "A financial system is a well-integrated system whose parts interact with each other." Explain. 7

Or

- (a) "There is a close relationship between financial system and economic growth." Give your valid comment. 7

- (b) Briefly elaborate the various indicators of financial development. 8

2. (a) Bring out the difference between Commercial Paper (CP) and Certificate of Deposit (CD). 5

- (b) Highlight the various steps taken to develop Indian Money Market. 10

Or

What is money market? Specify the main participants in the Indian Money Market. Explain the role of sub-markets in the growth and development of Indian Money Market. 2+6+7=15

3. State the important features of the Indian Capital Market. Discuss the inter-relationship between Primary and Secondary Market. 5+10=15

Or

- (a) Mention the recent trading and settlement mechanism in the Indian Capital Market. 5

- (b) Point out the reforms that has taken place in the Indian Capital Market after liberalization. 10

4. What is a Commercial Bank? What are the functions of a commercial bank? How does it help in the development of the economy? 2+6+7=15

Or

- (a) Indicate the various benefits of investing in a mutual fund. 7

- (b) How do NBFCs contribute to the economic growth of the economy? 8

5. Explain briefly the different tools used by the Reserve Bank of India (RBI) to regulate the flow of credit in the country. 15

Or

- (a) State the regulatory steps taken by SEBI to protect the interest of investors. 7

- (b) What are the powers and functions of IRDA? 8
