

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2025
(First Semester)

Branch - COMMERCE (FINANCIAL SYSTEM)

INDIAN FINANCIAL SYSTEM

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 x 1 = 10)

1. _____ of the following is a component of the capital market.
(a) Money market (b) Derivatives market
(c) Stock market (d) Foreign exchange market
2. _____ of the following is not a money market instrument.
(a) Treasury Bills (b) Commercial Paper
(c) Corporate Bonds (d) Certificates of Deposit
3. _____ of the following is an example of a non-banking financial institution.
(a) Retail bank (b) Credit union
(c) Insurance company (d) Central bank
4. _____ is the main objective of the Industrial Development Bank of India.
(a) Providing home loans (b) Financing the industrial sector
(c) Managing mutual funds (d) Offering education loans
5. _____ of the following service is usually provided by commercial banks.
(a) Life insurance (b) Investment banking
(c) Money transfer and remittance (d) Real estate development
6. _____ regulatory body oversees the functioning of commercial banks in India.
(a) SEBI (b) NABARD
(c) RBI (d) IRDA
7. _____ is the chief executive of SEBI.
(a) Governor of RBI (b) Finance Minister
(c) Chairman of SEBI (d) Chief Justice of India
8. _____ year was the Reserve Bank of India established.
(a) 1935 (b) 1947
(c) 1950 (d) 1960
9. _____ of the following is considered a financial service.
(a) Investment banking (b) Medical insurance
(c) Legal advisory (d) Real estate development
10. _____ financial service helps in reducing risk for individuals or businesses.
(a) Investment banking (b) Insurance
(c) Stock trading (d) Asset management

SECTION - B (35 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 7 = 35)

11. a) Distinguish between money market and foreign exchange market.
OR
b) Examine the various new instruments introduced in the capital market.
12. a) List out the role of financial institutions in India.
OR
b) Classify the types of non- banking financial institutions in India.

Cont...

13. a) Explain the organization structure of commercial banks.
OR
b) Appraise the investment policy of commercial banks in India.
14. a) Explain the objectives of SEBI.
OR
b) Explain the traditional functions of RBI.
15. a) Create the importance of financial service.
OR
b) Elaborate the classification of financial services.

SECTION -C (30 Marks)

Answer any **Three** questions

ALL questions carry **EQUAL** Marks

(3 x 10 = 30)

16. List out the functions of capital market.
17. Analyze in detail the general functions offered by EXIM banks in India.
18. Explain the narasimham committee recommendations on banking sector reforms.
19. Explain SEBI's role in regulating corporate governance.
20. Elaborate the new financial products and financial services offered in India.

Z-Z-Z

END