

**PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION DECEMBER 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 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Which of the following is a function of the Financial System? a) Risk Management      b) Legal System c) Education System      d) Social Welfare	K1	CO1
	2	Major players of Indian money market is a) Central bank      b) Commercial banks c) Co-operative banks      d) Indigenous banks	K2	CO1
2	3	An NBFC is a company registered under a) RBI Act 1932 b) Companies Act, 1956 c) Banking Regulation Act, 1949 d) SEBI	K1	CO2
	4	EXIM Bank provides financial assistance to a) Start ups      b) MSME c) Imports and Exports      d) Industrial Parks	K2	CO2
3	5	Commercial banks in India was organised as a) Sole proprietorship      b) Joint stock company c) Partnershi      d) Joint sector	K1	CO3
	6	Bank Rate policy is aimed at a) Development of banks b) Helping loan takers c) Stabilising internal price level d) None of these	K2	CO3
4	7	The administrative head office of SEBI is at a) New Delhi      b) Bombay c) Kolkata      d) Chennai	K1	CO4
	8	RBI issues currency notes on the basis of a) Minimum reserve      b) General reserve c) Proportional reserve      d) Gold reserve	K2	CO4
5	9	A short term debt instrument used by the government to obtain fund is known as a) Treasury Bills      b) Treasury Bonds c) Corporate Bonds      d) Commercial Paper	K1	CO5
	10	What are the challenges in financial service? a) Investment awareness b) Transparency c) Risk management system d) All of the above	K2	CO5

Cont...

**SECTION - B (35 Marks)**Answer **ALL** questions**ALL** questions carry **EQUAL** Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Compare and Contrast Money market and Capital market.	K2	CO1
	(OR)			
	11.b.	Explain the concept of Financial Rate of Return.		
2	12.a.	Outline the Functions of SIDs.	K2	CO2
	(OR)			
	12.b.	Explain the Functions of EXIM Bank.		
3	13.a.	Illustrate the Management of Commercial Banks	K3	CO3
	(OR)			
	13.b.	Select and write the important banking sector reforms recommended by Narasimham Committee.		
4	14.a.	List out the powers of SEBI.	K3	CO4
	(OR)			
	14.b.	Identify the functions of RBI.		
5	15.a.	Explain the Scope of Financial Services.	K3	CO5
	(OR)			
	15.b.	Organize and explain the types of Financial Services.		

**SECTION -C (30 Marks)**Answer **ANY THREE** questions**ALL** questions carry **EQUAL** Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Explain the various malpractices in the Securities market.	K2	CO1
2	17	Summarize the RBI regulations on NBFCs.	K2	CO2
3	18	Identify the functions of Commercial Banks.	K3	CO3
4	19	Explain the functions of SEBI.	K3	CO4
5	20	Select the recent technologies in the Financial Service Sector.	K3	CO5