

BACHELOR OF VOCATION
Financial Services
Subject: Indian Financial System
Subject Code: BFS-501
Semester: First
December 2019
Theory (External): 70 Marks
Time: 03 hours

Instructions to the Students

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

Roll Number

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SECTION –A (OBJECTIVE TYPE QUESTIONS)
(10x2=20 Marks)

- A What is Financial Institution?
- B What are Characteristics of Financial systems?
- C State the role of Financial Market?
- D State the meaning of “Right of set off”?
- E Distinguish between Primary Market & Secondary Market ?
- F What is Universal Banking?
- G What are the promotional function of RBI?
- H What are the indicators of liquidity of a Commercial Bank?
- I Explain different type of Financial Service.
- J What are the Components of Indian Money Market?

SECTION –B (ESSAY TYPE QUESTIONS)
(5x10=50 Marks)

- Q1 What are the various components of Indian Financial System?
Discuss
- Q2 What are the roles of Insurance in the financial frame work of country? Explain
- Q3 “RBI controls the liquidity in Indian Finance Market” Do you agree with this statement in reference to present situation? Explain various tools and techniques to control the liquidity.
- Q4 What is a “commercial bank”? What are its Primary functions?
- Q5 What is money market? Discuss the various Money Market Instruments and list their fractures.
- Q6 Differentiate between any two of the following:
(a) Factoring & Forfeiting.
(b) Leasing & Hire Purchase.
(c) Primary & Secondary Market.
- Q7 Explain the scope and functions of SEBI?

Q8 The Hypothetical Equipments Ltd (HEL) has recently leased assets worth Rs. 2,500 lakh from the Hypothetical Leasing Ltd (HLL) . The following facts are available

- (1) Leased period 9 years, of which the first 06 year constitute the lease term.
- (2) Annual lease rate : First 06 years Rs. 3,60/Rs. 1000, next 3 year Rs.15/Rs.1,000.
- (3) Incremental borrowing rates for HEL, 22 %
 - (a) Assuming 14 years as the average economic life of the equipment, is the lease a finance lease or an operating lease.
 - (b) Assuming further
 - (i) Physical life of 14 years,
 - (ii) Technological life of 9 years and
 - (iii) Product market life of 11 years, how will you classify the lease?

*****THE END *****