

3 (3) ECO M 5 (BFM-O)

2013

ECONOMICS

( Major )

Paper : 3.5

( Banking and Financial Markets )

( Old Syllabus )

Time : 3 hours

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

*Candidates **eligible** for Internal Assessment shall  
answer from PART—I only ( Marks : 90 )*

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*Candidates **not eligible** for Internal Assessment shall  
answer both from PART—I and PART—II ( Marks : 100 )*

PART—I

( Marks : 90 )

1. Answer the following questions (within  
50 words each) : 2×5=10

(a) What do you understand by the term  
'stock market'?

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( Turn Over )

- (b) What are 'non-Banking Financial Intermediaries'?
- (c) Mention two measures initiated by the Government of India to liberalize the financial system in the country.
- (d) Distinguish between treasury bills and commercial bills.
- (e) What is 'foreign exchange rate'?

2. Answer any *four* of the following questions (within 125 words each) :

5×4=20

- (a) What are cooperative banks? What are their main features? 1+4=5
- (b) What are the various banking services offered in India? 5
- (c) What is call money market? What are its functions? 1+4=5
- (d) What are 'development banks'? How do they differ from commercial banks? 2+3=5
- (e) Mention the main objectives of the financial sector reforms initiated in the early 1990's in India. 5
- (f) What is meant by 'exchange rate'? What factors cause variation in the exchange rate? 1+4=5

3. Answer any *four* of the following questions  
(within 350 words each) : 15×4=60

(a) What are the various opportunities and challenges faced by the Indian commercial banks in the context of globalization? 15

(b) Examine the role of RBI in the Indian banking system in the light of the recent trends of globalization and liberalization. 15

(c) What are 'mutual funds'? What are the advantages and disadvantages of 'mutual funds'? 3+6+6=15

(d) How is life insurance different from non-life? Who are the major market players in the life insurance sector? 5+10=15

(e) How has development banking led to economic development in India? Discuss. 15

(f) What is SEBI? How does it regulate the functioning of the capital market in India? 3+12=15

PART—II

( Marks : 10 )

( In lieu of Internal Assessment )

4. Answer the following questions (within 50 words each) : 2×2=4

(a) What do you mean by the term 'hedging'?

(b) What are gilt-edged securities?

5. Answer any one of the following questions (within 150 words) : 6

(a) What are the advantages of floating exchange rate?

(b) Examine the impact of financial sector reforms on the Indian banking system.

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