# 2021

### INDIAN FINANCIAL SYSTEM—HONOURS

Paper: CC-3.2ch.

Full Marks: 80

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

#### Group-A

#### Answer any four questions.

1.	(a)	Write a note on the role played by the financial system in the economic development of a country.	6
	(b)	Give an outline of the structure of the financial system.	4
2.	(a)	Mention four functions of a money market.	4
	(b)	Write a note on the call money market in India.	6
3.	(a)	What do you mean by a merchant bank? How are merchant banks different from commercial banks?	? 2+2
	(b)	Give an outline of the SEBI regulations relating to merchant banks.	6
4.	(a)	Discuss the objectives and limitations of credit rating.	3+3
	(b)	Do credit rating agencies improve the functioning of the capital market? Explain briefly.	4
5.	(a)	What do you mean by 'investor protection'? Why is investor protection necessary for the development of the d	ment
		of capital market?	2+4
	(b)	Discuss the role of the media in investor protection.	4
6.	(a)	Discuss the recent changes that have taken place in Indian capital market.	8
	(b)	Name two instruments of debt market.	2
7.	(a)	What do you mean by 'Development Financial Institutions' (DFI)? State the functions of a DFI.	2+3
	(b)	Write a short note on NABARD.	5
8.	(a)	Discuss the process of book building issue mechanism.	6
	(b)	Distinguish between money market and capital market.	4

### Group-B

## Answer any two questions.

9.	(a)	Explain the credit creation mechanism of commercial banks and its limitations.	(12+4)
	(b)	Explain the relationship between cash reserve ratio and the power of commercial banks to cr	
			4
10.	(a)	Discuss the role played by mutual funds in developing the capital market.	10
	(b)	Write short notes on:	5+5
		(i) SIDBI	
		(ii) GIC.	
11.	(a)	Give a brief account on Indian Debt market.	10
	(b)	Discuss the functions of commercial banks.	10
12.	Write	e short notes on:	5×4
	(a)	Certificate of Deposit	
	(b)	Brokers	
	(c)	Grievances regarding new issue market	
	(d)	Repo and Reverse Repo.	