

Duration: 2:30 Hours

D210NEMFS

Marks:- 75

- Note:- 1) All questions are compulsory  
 2) All questions carry equal marks  
 3) Figures to the right indicate maximum marks.

**Q.1 A) Select the correct alternative out of the options given below :- (Any 8) (10 M)**

- 1) \_\_\_\_\_ are business organizations that act as a mobilizes and depositors of savings.  
 a) Financial markets b) Financial Institutions c) Financial Instruments d) Financial services
- 2) A bill of exchange is an important instrument widely used in the discharge of business  
 a) Obligations b) Assets c) Settlements d) Ideas
- 3) \_\_\_\_\_ card is launched by national payments corporation of India.  
 a) ATM card b) Debit card c) Credit card d) Rupay card
- 4) \_\_\_\_\_ is a Financial arrangement that redistributes the cost of unexpected losses.  
 a) Financial institutions b) Financial markets c) Bank d) Insurance
- 5) Which of the following is a development bank? .  
 a) IDBI b) SBI c) RBI d) HDFC
- 6) Insurance is a protection against \_\_\_\_\_ loss arising on the happening of an unexpected event.  
 a) Normal b) Accidental c) Financial d) Risk
- 7) the report on financial system submitted by narasimham committee in \_\_\_\_\_.  
 a) 1990 b) 1991 c) 1997 d) 1998
- 8) Which is the non –financial risk \_\_\_\_\_.  
 a) Interest rate risk b) Liquidity risk c) Legal risk d) Exchange risk
- 9) Which Liability will be shown under the balance sheet.  
 a) Loan b) Current Liability c) Quick liability d) Contingent Liability
- 10) \_\_\_\_\_ regulates the investment of funds by insurance companies  
 a) IRDA b) NABARD c) BANKS d) BROKERS

**Q.1B) State whether following statements are true or false :- (Any 7) (7 M)**

- 1) SIDBI was set up in October 1989 for the purpose to provide finance to small scale industries
- 2) For fainting is a financing and risk management tool available to the exporters.
- 3) Co-operative banks are managed by the government department on the principles co- operation self – help and mutual help.
- 4) Insurance is a saving device.
- 5) One of the recommendation of second narasimham committee is mergers between banks.
- 6) Credit risk management is the primary challenges for banks.
- 7) In India , banks have to maintain a minimum capital to risk weighted asset ratio ( CRAR) of 10%
- 8) The RBI has the monopoly right to issue all currency notes.
- 9) The CRR is maintained int the form of cash balance with RBI.
- 10) RBI act 1934 was bought into force in 1<sup>st</sup> April 1935.

**Q.2) Answer the following :-**

**(15 M)**

- 1) Explain the various functions of commercial banks ?.
- 2) Explain the functions of financial system?.

OR

- 3) What are the various financial instrument?
- 4) What are the objectives of insurance? .

**Q.3) Answer the following :-**

**(15 M)**

- 1) Explain the role of RBI reserve bank of India?
- 2) What is the significance of insurance?

OR

- 3) Explain the role of commercial banks?
- 4) What are the various functions of insurance?

**Q.4) Answer the following :-**

**(15 M)**

- 1) Explain the objectives of mergers and acquisitions?
- 2) What are the various types of risk in banking organization?

OR

- 3) Explain the features of risk management in insurance companies?
- 4) What are the functions of ALM (Assset Liability Management)?

**Q.5) Answer of the following: -**

**(15 M)**

- 1) Explain the traditional central banking functions?
- 2) What are the various department of RBI?

OR

**Q.5) Write short notes on :- (Any 3)**

**(15 M)**

- 1) Development activities of IRDA .
- 2) Insurance act, 1938
- 3) Powers and duties of banking ombudsman
- 4) Objectives of RBI.
- 5) Provisions for NPA

XXXXXXXXXXXXXX