

S.Y. BMS Sem-III Basics of Financial Services

DURATION: - 2½ hrs

53F1081123

MARKS:- 75

- Note: - (1) All questions are compulsory.  
(2) All questions carry equal marks.  
(3) Figures to the right indicates full marks

(CO1,2,3, 8M  
4-R/U)

Q.1 A) Choose the correct options.

- 1 A financial system functions as an \_\_\_\_\_ between savers & investors.  
a) Intermediary b) Driver c) Relationship
- 2 \_\_\_\_\_ market that specializes in trading long term & relatively high risk securities.  
a) Capital b) Securities c) Government
- 3 \_\_\_\_\_ Bank is a profit seeking business firm, dealing in money and credit  
a) Commercial b) Savings c) Fixed
- 4 \_\_\_\_\_ Banks is based on the concept of prepaid instruments (PPI)  
a) Agriculture b) Exchange c) Payment
- 5 The important characteristics of insurance is \_\_\_\_\_  
a) Sharing of risk b) Value of risk c) Both
- 6 The form to be filled by a person to take an insurance is called as \_\_\_\_\_  
a) Rider Benefit b) Surrender of policy c) Maturity
- 7 \_\_\_\_\_ Was established in 1963 by an act of parliament  
a) UTI b) ICICI c) IFCI
- 8 The third phase of mutual funds when private sector was allowed is from which year \_\_\_\_\_  
a) 1995-2005 b) 1994-2004 c) 1993-2003

Q.1 B) State the following True or False

- 1 Financial services encompass a wide range of activities including banking, insurance, investment, and financial planning
- 2 Checking account is a type of financial services offered by banks that typically pays higher interest-rates
- 3 Credit union or not considered financial service providers

7M

- 4 Investment banking primarily deals with managing individual investors savings and retirement fund
- 5 Financial planning involves creating a comprehensive strategy to meet short-term and long-term financial goals
- 6 Insurance is a financial service that provides protection against financial loss due to unforeseen events like accidents and natural disasters
- 7 Mutual fund pool money from multiple investors to invest in a diversified portfolio of stocks, bonds or other securities

**Q.2 Answer the following**

- a) Explain the functions of financial system (R/U) **8M**
- b) Explain the components of financial system (R/U) **7M**

**OR**

- c) Explain the functions of financial market (R/U) **8M**
- d) Give the classification of financial market (R/U) **7M**

**Q.3 Answer the following**

- a) Explain the different types of banks (R/U) **8M**
- b) Give the functions of commercial banking (R/U) **7M**

**OR**

- c) Give the interest-rate reforms and its importance (R) **8M**
- d) Explain the role of reserve bank of India (R) **7M**

**Q.4 Answer the following**

- a) Give functions of IRDA (R/U) **8M**
- b) Explain the features of fire insurance (R) **7M**

**OR**

- c) Explain the types of marine insurance (R/U) **8M**
- d) Give the characteristics of insurance (R/U) **7M**

**Q.5 Short Notes (Any 3 out of 5)**

- 1) Open and close ended scheme of mutual funds. (CO1- (CO2) **15**  
(R/U)
- 2) Reinsurance (R/U)
- 3) Whole life policy (R/U)
- 4) SIDBI (R/U)
- 5) Foreign exchange market (R/U)

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