

**GOVERNMENT COLLEGE (AUTONOMOUS)  
RAJAMAHENDRAVARAM  
(Re-Accredited by NAAC with “A+” Grade)  
I Year B Com H (CA)  
SEMESTER-II**

**MINOR : INDIAN FINANCIAL SYSTEM  
QUESTION BANK**

**UNIT I**

**6M**

**I ESSAY QUESTIONS**

1. Explain the components of the financial system?
2. Discuss the importance of the financial system
3. Describe the structure of the financial system?

**II SHORT QUESTIONS**

**2M**

1. Functions of financial system
2. Role of Individuals in the financial system
3. Development of financial system in india
4. Financial system and economic development in india
5. Weaknesses of the indian financial system

**III MULTIPLE CHOICE QUESTIONS**

**1. \_\_\_\_\_ allocates saving efficiently in an economy to ultimate users, either for investment in real assets or for consumption.**

- a) Economic system
- b) Banking system
- c) Financial system
- d) Market system

**Ans:c**

**2. Which of the following is not a regulatory institution in the Indian financial system?**

- a) RBI

- b) CIBIL
- c) SEBI
- d) IRDA

**Ans:B**

3. \_\_\_\_\_ is regarded as the queen of the Indian financial system.

- a) SEBI
- b) RBI
- c) Finance Ministry
- d) BSE

**Ans:B**

4. *Financial institutions are also known as \_\_\_\_\_.*

- a) Financial organization
- b) Financial intermediaries
- c) Financial system
- d) Any of the above

**Ans:B**

5. *Which of the following is not an organized sector in India?*

- a) Nationalized Banks
- b) Regional Rural Banks
- c) Cooperative Banks
- d) Chits and Money lenders

**Ans:D**

#### **IV ONE WORD ANSWER QUESTIONs**

**1M**

- 1. IRDA
- 2. SEBI
- 3. Nationalized Banks
- 4. Financial intermediaries
- 5. RBI

## UNIT II

6M

### I ESSAY QUESTIONS

1. Explain the functions of financial institutions?
2. Discuss the roles financial institutions
3. Describe the Non banking financial institutions?

### II SHORT QUESTIONS

2M

1. financial products
2. Investment banks
3. Brokerage firms
4. Credit unions
5. Micro finance institutions

### III MULTIPLE CHOICE QUESTIONS

1M

*1. In which year was the Banking Regulation Act passed?*

- a) 1949
- b) 1955
- c) 1959
- d) 1969

**Ans:A**

*2. At which of the following cities is the Head Office of Reserve Bank of India located?*

- a) Mumbai
- b) New Delhi
- c) Kolkata
- d) Dehradun

**Ans:A**

*3.) Which is the largest commercial bank in India?*

- a) Bank of India
- b) Axis Bank
- c) State Bank of India
- d) HDFC

**Ans:C**

**4. Which of the following is the apex institution which handles refinance for agriculture and rural development in India?**

- a) RBI
- b) SIDBI
- c) NABARD
- d) RBI

**Ans:C**

**5. Which of the following combinations is correct?**

- a) NABARD-----Industrial Loan
- b) RBI-----Long term Finance
- c) RRB-----Agriculture Finance
- d) IDBI-----Short Term Loans

**Ans:C**

**ONE WORD ANSWER QUESTIONS**

**1M**

- 1.Financial Advisory services
- 2.Mutual funds
- 3.Mortgage companies
- 4.Leasing companies
- 5.Factoring Companies

**UNIT III**

**6M**

**I ESSAY QUESTIONS**

- 1. Explain the significance and functions of financial markets?
- 2. Discuss the different types of financial markets
- 3. Describe the comparison between money market and capital market?

**II SHORT QUESTIONS**

**2M**

- 1.Stock market
- 2. Foreign exchange market
- 3. Primary and secondary markets
- 4. Call the money market
- 5. Treasury bill market

### III MULTIPLE CHOICE QUESTIONS

1M

**1. What is Call Money?**

- a) It is an overnight loan in the Money Market
- b) It is loan of above 1 day to 14 days in the money market
- c) It is loan of above 14 day to 364 days in the money market
- d) It is an amount charged on ISD

**Ans:A**

**2. Which of the following is not related with Money Market?**

- a) Treasury Bills
- b) Commercial Bills
- c) Certificates of Deposit
- d) Shares

**Ans:D**

**3. The financial Market where debt and stocks are traded and maturity period is more than a year is classified as:**

- a) Shorter term Markets
- b) Capital Markets
- c) Counter Markets
- d) Long-term Markets

**Ans:B**

**4. Exchange rates are determined in**

- a) the money market.
- b) the foreign exchange market.
- c) the stock market.
- d) the capital market.

**Ans:B**

**5. In primary market, the first time issued shares to be publicly traded, in stock market is considered as:**

- a) Traded Offering
- b) Public Markets
- c) Issuance Offering
- d) Initial Public Offering

**Ans:D**

### IV ONE WORD ANSWER QUESTIONS

1M

- 1. Bond market
- 2. Commodity Market
- 3. Derivatives market
- 4. Capital market

## 5.Issuance of New Securities

### UNIT IV

6M

#### I ESSAY QUESTIONS

1. Explain the types of financial services in India?
2. Discuss importance of financial services
3. Describe the advantages and disadvantages of financial services?

2M

#### II SHORT QUESTIONS

1. Loans and credit facilities
2. Trade finance
3. Fee based services
4. Tax preparation services
5. Asset financing

#### III MULTIPLE CHOICE QUESTIONS

1M

***1. Financial service companies exclude which of the following?***

- a) Commercial banks
- b) Insurance companies
- c) Investment banks
- d) Sole proprietorship

**Ans:D**

***2. Which of the following are functions of financial services?***

- a) Mobilization of savings
- b) Allocation of fund
- c) Specialized services
- d) All of the above

**Ans:D**

***3. Which of the following is not a fee-based financial service?***

- a) Financial Advisory
- b) Account management services
- c) Tax preparation services
- d) Mortgages

**Ans:D**

***4. Which of the following is not a fund-based financial service?***

- a) Loans and credit facilities
- b) Investment products
- c) Tax preparation services
- d) Mortgages

**Ans:C**

**5. All India financial Institutions are**

- a) Industrial Development Bank of India (IDBI)
- b) Industrial Finance Corporation of India (IFCI)
- c) Industrial Credit and Investment Corporation of India (ICICI)
- d) All of the above

**Ans:D**

**IV ONE WORD ANSWER QUESTIONS**

**1M**

1. Professional Advisory
2. Treasury Instruments
3. Audit Consulting
4. Capital Restructuring
5. Credit services