Roll No. ______________ **[Total no. of Pages 01]**

[Total no. of Questions: 10]

MBA (Semester – 3rd)

INDIAN FINANCIAL SYSTEMS AND FINANCIAL MARKETS

Subject Code: MBADD-1321

Paper ID: 20260116

Time: 3 Hours **Maximum Marks: 60**

Instructions to Candidates:

1. Section A consist of 10compulsory short notes of 02 marks each.
2. Section B consists of Four Units (Unit-I. II. III & IV). Each Unit contains two questions of 8 marks each. Student has to attempt one question from each unit.
3. Section C (8 Marks): A short Case Study related to the syllabus.

Section A **(2 marks each)**

Q1. Attempt the following:

a) Role of Central Bank
b) Financial markets
c) Role of Regional Rural Banks
d) Non-banking Financial Companies
e) Difference between money market and capital market
f) Dual Convertible Bonds
g) Difference between merchant bankers and underwriters
h) Clip and Strip Bonds
i) Difference between equity shares and preference shares
j) Book Building

Section B **(8 marks each)**

UNIT-I

Q2. Critically evaluate the financial system in India.

Q3. Explain the structure of banking system in India.

UNIT-II

Q4. Explain the role and functions of commercial banks.

Q5. Explain the growth, structure and working of development banks in India.

UNIT- III

Q6. Explain the role and functions of SEBI.

Q7. Discuss various instruments in New Issue Markets.

UNIT-IV

Q8. What do you understand by money market, Explain various instruments of money market.

Q9. Explain ethical issues in Banking and Financial markets.

Section C **(8 marks)**

Q10. Case Study

The Reserve Bank of India (RBI) has announced changes in the monetary policy to address inflation concerns. This decision impacts various stakeholders in the financial market, including banks, investors, and borrowers. Commercial banks must adjust their lending rates accordingly, affecting businesses and individuals seeking loans. Investors must reassess their investment portfolios in response to the changes in interest rates.

a. How do these changes in monetary policy affect the liquidity in the financial market?
b. What strategies can banks adopt to maintain profitability while complying with regulatory requirements?