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63/2 (SEM-1) MCO 102

2021

(held in 2022)

COMMERCE

(Theory Paper)

Paper Code : MCO-102

(Financial System in Modern Banking)

Full Marks – 80

Time – Three hours

The figures in the margin indicate full marks
for the questions.

1. Answer the following multiple choice questions :

1×8=8

(i) Which of the following is a financial asset ?

(a) Gold

(b) Silver

(c) Share

(d) Land of the firm

(ii) In financial language, the money and
monetary assets are referred as

(a) Financial Asset (b) Liquidity

(c) Productivity (d) Investment

[Turn over]

(iii) Which of the following movement encouraged the formation of commercial banks ?

- (a) Swadeshi Movement
- (b) Quit India Movement
- (c) Non-cooperation
- (d) Civil Disobedience Movement

(iv) Banking Regulation Act was formed in the year

- (a) 1946 (b) 1956
- (c) 1959 (d) 1949

(v) Mutual Fund is invested as per the advice of

- (a) Finance manager
- (b) Money manager
- (c) Bank manager
- (d) Investors

(vi) A non-banking financial institution is one which

- (a) is not a financial institution
- (b) do not perform any banking related activities
- (c) do not have full banking licence
- (d) All of the above

(vii) ASBA stands for

- (a) Application Supported by Blocked Amount
- (b) Application Supported by Book-building Amount
- (c) Application Service by Blocked Amount
- (d) Application Service by Book-building Amount

(viii) Which of the following is the predecessor of the IRDA Act 1999 ?

- (a) The Life Insurance Corporation Act, 1956
- (b) The Insurance Act, 1938
- (c) The Marine Insurance Act, 1963
- (d) The Public Liability Insurance Act, 1991.

2. Answer the following questions : 4×4=16

- (a) State any four characteristic features of financial instruments.
- (b) State the merits and demerits of online banking.
- (c) Write a note on mutual fund.

(d) State the functions of Insurance Regulatory and Development Authority of India.

3. Define financial system. State the features of financial system. Explain briefly, the weaknesses of Indian financial system. 2+6+6=14

Or

"The financial system plays a significant role in the process of economic development of a country". Do you agree the statement? Give your justifications. 14

4. Explain briefly the innovations that is taking place in commercial banking services. 14

Or

Discuss the reforms and growth of commercial banking in India. 14

5. Explain the types of non-banking financial institutions available in the financial system. 14

Or

Explain the various services offered by merchant banking to their clients in the financial market. 14

6. Explain the role of RBI in regulating financial system in the country. 14

Or

Discuss briefly the power and functions of Securities Exchange Board of India. 14