

Maa Omwati Degree College, Hassanpur

Syllabus

Indian Financial System (MC)

BBA :- 4th Sem (NEP)

UNIT-I

Financial System- Meaning, components and functions; reforms in the Indian Financial System; money market and its segments

UNIT-II

Primary market; stock exchange and its function, trading in stock exchange, NSE, BSE, depositories and custodian, new financial instruments, role and functions of SEBI

UNIT-III

Commercial banks, RRBs, risk management in banks, merchant banking and its services, NBFCs

UNIT-IV

Mutual funds, Insurance- meaning, type and principles; Role as a financial intermediary- IRDA, its role and functions.

Important Question

Short Question :-

1. What is a financial system?
2. What are the main components of the financial system?
3. State any three functions of the financial system.
4. What are the major reforms in the Indian Financial System?
5. What is a money market?
6. Name the main instruments of the money market.
7. What is a Treasury Bill?
8. What is a primary market?
9. What is an Initial Public Offer (IPO)?
10. Define stock exchange.
11. State two functions of a stock exchange.
12. What is online trading?
13. What is the role of National Stock Exchange of India?
14. What is the significance of Bombay Stock Exchange?
15. What is a depository?
16. What are new financial instruments? Give two examples.
17. What are the functions of Securities and Exchange Board of India?
18. What are commercial banks?
19. What is a Regional Rural Bank (RRB)?
20. What is risk management in banks?
21. What is merchant banking?
22. What are Non-Banking Financial Companies (NBFCs)?
23. What is a mutual fund?
24. What are the principles of insurance?
25. What are the functions of Insurance Regulatory and Development Authority of India?

Long Question :-

UNIT – I

****Q1.** Define Financial System. Explain its meaning, structure and importance in economic development. Discuss in detail the major components of the Indian Financial System – financial institutions, financial markets, financial instruments and financial services.**

****Q2.** Explain the functions of the Financial System in mobilizing savings and allocating resources efficiently. How does the financial system contribute to capital formation and economic growth in India?**

****Q3.** Discuss the major reforms introduced in the Indian Financial System after 1991. Analyse the recommendations of the Narasimham Committee and evaluate the impact of financial sector reforms on banking and capital markets in India.**

****Q4.** What is Money Market? Explain its features and importance. Describe the structure and various segments of the Indian money market such as call money market, treasury bills market, commercial paper, certificate of deposit and repo market. Examine the role of the Reserve Bank of India in regulating and developing the money market in India.**

****UNIT – II****

****Q1.** What is Primary Market? Explain the methods of issuing securities in the primary market. Discuss the role of merchant bankers and underwriters in public issues.**

****Q2.** Define Stock Exchange. Explain its functions and importance in the economic development of a country. Describe the structure and features of the National Stock Exchange and Bombay Stock Exchange.**

****Q3.** Explain the trading and settlement process in a stock exchange. Discuss the role of depositories and custodians in the Indian stock market with reference to dematerialization of securities.**

****Q4.** What are new financial instruments? Explain different types of innovative financial instruments in the Indian capital market. Discuss the powers, functions and regulatory role of the Securities and Exchange Board of India in protecting investors and ensuring fair trading practices.**

UNIT – III**

****Q1.** Explain the structure and functions of Commercial Banks in India. Discuss their role in credit creation and economic development.**

****Q2.** What are Regional Rural Banks (RRBs)? Explain their objectives, functions and role in rural development and financial inclusion. Examine the regulatory role of the Reserve Bank of India in supervising banks and RRBs.**

****Q3.** Discuss the various types of risks faced by banks such as credit risk, market risk, liquidity risk and operational risk. Explain the risk management techniques adopted by banks to minimize these risks.**

****Q4.** Define Merchant Banking. Explain its functions and services in detail. What are Non-Banking Financial Companies (NBFCs)? Discuss their role in the Indian financial system and compare their functions with commercial banks.**

UNIT – IV

****Q1.** Define Mutual Fund. Explain its structure, types and advantages. Discuss the role of mutual funds as financial intermediaries in mobilizing savings.**

****Q2.** What is Insurance? Explain its meaning and characteristics. Discuss various types of insurance such as life insurance, general insurance and health insurance.**

****Q3.** Explain the fundamental principles of insurance such as utmost good faith, insurable interest, indemnity, subrogation and contribution. How do these principles ensure fairness in insurance contracts?**

****Q4.** Discuss the role of insurance companies as financial intermediaries in India. Explain the powers, functions and regulatory framework of the Insurance Regulatory and Development Authority of India in promoting the orderly growth of the insurance sector and protecting policyholders.**