



MFE 13

I Semester M.B.A. (F.E.) Examination, December 2009/January 2010
INDIAN FINANCIAL SYSTEM

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** sub questions. **Each** sub question carries **2** marks. **(2×5=10)**

1. a) Define bank failure.
- b) State any four types of mutual funds.
- c) What are prudential norms ?
- d) Give the meaning of debentures.
- e) Mention any two differences between Money market and Capital market.

SECTION – B

Answer **any five** questions. **Each** question carries **7** marks. **(7×5=35)**

2. Differentiate between real and nominal interest rates.
3. Write a note on exchange rate volatility.
4. Who uses spot rates and forward rates ? Why are ex-rates important ?
5. Give an account of general principles of bank management.
6. Explain the various functions of money.
7. Distinguish between forward contract and futures contract.
8. Explain the role of corporate governance in financial sector.

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SECTION – C

Answer **any two** questions. **Each** question carries **10** marks. **(2×10=20)**

9. Discuss the features of a developed money market and bring out its importance.
10. Describe the functions and powers of stock exchange.
11. Explain Gresham's Law.
12. Give an overview of the foreign exchange market and state the factors affecting it.

SECTION – D

Answer **any one** question. **Each** question carries **15** marks. **(1×15=15)**

13. Trace out the development of the financial system in India.
 14. List out the various money market instruments and state their advantages and disadvantages.
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