

Seat No: - _____

Enrollment No: - _____

PARUL UNIVERSITY
FACULTY OF ARTS

B. Arts Midterm Examination 2022–23

Semester: - V

Date: 01/07/2022

Subject Code: - 15101330

Time: 2 hours

Subject Name: - Indian Financial System

Total Marks: 40

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

		Marks
Q.1	Do As Directed.	06
1	The most widely used monetary policy tool among these is?	
	(A) Open market operations	(B) Issuing of notes
	(C) Close market operations	(D) Discount rate
2	Increase in cash reserve ratio (CRR) by the RBI will result in:	
	(A) Initially increase the supply but later on decrease automatically	(B) No impact on the supply of money in the economy
	(C) Decrease the supply of money in the economy	(D) Increase the supply of money in the economy
3	HDFC bank is an example of?	
	(A) Foreign bank	(B) Public bank
	(C) Private bank	(D) None of these
4	This is not a function of the RBI?	
	(A) Printing of currency	(B) Controller of credit
	(C) Issuance of coins	(D) Custodian of foreign currency
5	What is the primary function of a bank?	
	(A) Accepting deposits	(B) Fixed deposits
	(C) Current deposits	(D) Saving deposits
6	What is the process by which commercial banks create money?	
	(A) Issue of loans	(B) Accepting new deposits
	(C) Through cash reserve ratio	(D) Through investing
7	The headquarter of the SEBI is in.....	
	(A) Mumbai	(B) New Delhi
	(C) Kolkata	(D) Chennai
8	The primary purpose of the RBI monetary policy is to maintain:	
	(A) Wealth	(B) Exchange rate
	(C) Growth	(D) Price stability
9	If RBI reduces the cash reserve ratio, what will happen to the credit creation?	
	(A) There will be no impact	(B) It will decrease
	(C) It will increase	(D) None of the above
10	The dominant objective of monetary policy is.....	
	(A) Money supply	(B) Controlling demand for money
	(C) Achieving price stability	(D) Promoting foreign trade
11	Which of the following is not a public sector unit?	
	(A) RBI	(B) SEBI
	(C) SBI	(D) IDBI

12	What does “R” stand for in “IRDA”?				
	(A)	Regulation	(B)	Regulatory	
	(C)	Research	(D)	Rate	
B. Terms / Short Notes / Case Study / Charts / Graphs/ Tables, etc. (Each of 01 mark)					(04)
1	Who is the current chairman of SEBI?				
2	Define Bank Rate.				
3	Who is the current chairman of IRDA?				
4	Who was the first female deputy governor of RBI?				
Q.2	Answer the following.				
1	Write a note on Insider Trading.				(04)
2	Who is Insurance Ombudsman?				(04)
2	Define Scheduled commercial bank and Non-scheduled commercial bank.				(04)
Q.3	Answer the following.				
1	Briefly explain the tools of monetary policy.				(05)
2	Write a note on the composition of RBI.				(05)
2	Explain the process of credit creation by commercial bank?				(05)
Q.4	Answer the following.				
1	What are the functions of commercial bank?				(06)
2	Explain the functions of watchdog of security market.				(06)
OR					
2	Explain the operation of IRDA.				(06)

*****All the Best*****