SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY : PUTTUR
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QUESTION BANK (DESCRIPTIVE)

Subject with Code : Financial Institutions and Services (**25MB9025**) **Course & Branch**: MBA

Year &Sem: II-MBA & I-Sem **Regulation:** R25

UNIT –I
INTRODUCTION TO FINANCIAL SYSTEM

1		**Analyze** the role of the financial system in promoting economic growth and sustainable development in India with suitable examples.	**[L4][CO1]**	**[12M]**
2		Examine the components of the Indian Financial System and explain how they interact to facilitate economic development.	**[L4][CO1]**	**[12M]**
3	**a)**	Explain the objectives of the financial system and illustrate their significance in economic development.	**[L2][CO1]**	**[6M]**
	b)	Differentiate the major functions of the financial system with suitable real-time examples.	**[L2][CO1]**	**[6M]**
4		Evaluate the significance of the following monetary policy instruments in controlling inflation and liquidity: a) Repo Rate b) Reverse Repo Rate c) Bank Rate d) Cash Reserve Ratio (CRR)	**[L5][CO1]**	**[12M]**
5	**a)**	Classify the financial institutions operating in India and justify their importance in the financial system.	**[L4][CO1]**	**[6M]**
	b)	Assess the role of financial intermediaries in mobilizing savings and facilitating investments.	**[L5][CO1]**	**[6M]**
6		Evaluate the functions of the Reserve Bank of India as the apex monetary authority and discuss its contribution to financial stability.	**[L5][CO1]**	**[12M]**
7		Analyze the regulatory and developmental functions performed by SEBI in protecting investors and strengthening capital markets.	**[L5][CO1]**	**[12M]**
8		Examine the role of RBI as the regulator of the Indian Banking System and recommend measures to improve banking efficiency.	**[L5][CO1]**	**[12M]**
9		Analyze the objectives of Monetary Policy and evaluate the effectiveness of various quantitative and qualitative credit control measures adopted by RBI.	**[L5][CO1]**	**[12M]**
10		Explain the objectives, functions of the Securities and Exchange Board of India (SEBI) in protecting investors and promoting the securities market.	**[L2][CO1]**	**[12M]**

UNIT: II

THE BANKING AND NON-BANKING INSTITUTIONS

1	**a)**	Explain the structure and functions of public sector banks in India.	**[L2][CO2]**	**[6M]**
	b)	Explain the structure of private sector banks and compare their performance with public sector banks.	**[L3][CO2]**	**[6M]**
2		Explain the concept of bank capital and discuss its importance in maintaining the financial strength and stability of banks.	**[L2][CO2]**	**[12M]**
3		Discuss the major banking innovations in India and evaluate their impact on customer service and banking efficiency.	**[L2][CO2]**	**[12M]**
4	**a)**	Describe the structure and functions of commercial banks in the Indian financial system.	**[L2][CO2]**	**[6M]**
	b)	Explain significance of co-operative banks in promoting rural and agricultural finance.	**[L2][CO2]**	**[6M]**
5		Describe the functions of Non-Banking Financial Institutions (NBFIs) and explain their role in the development of the Indian financial system.	**[L2][CO2]**	**[12M]**
6		Explain the following banking terms with suitable examples: (a) Deposit Multiplier (b) Demand Deposit (c) Time Deposit (d) Overdraft Facility (e) Statutory Liquidity Ratio (SLR).	**[L3][CO2]**	**[12M]**
7	**a)**	Define Mutual Fund and explain its features with suitable examples.	**[L2][CO2]**	**[6M]**
	b)	Classify the different types of mutual funds and explain any four types.	**[L4][CO2]**	**[6M]**
8		Explain the growth and development of the mutual fund industry in India and discuss the factors contributing to its expansion.	**[L2][CO2]**	**[12M]**
9		Discuss the regulatory framework of mutual funds in India and explain the roles of SEBI and AMFI in protecting investors.	**[L3][CO2]**	**[12M]**
10	**a)**	Explain the structure and functions of insurance companies in the Indian financial system.	**[L2][CO2]**	**[6M]**
	b)	Discuss the role and functions of IRDAI in regulating and promoting the insurance sector in India.	**[L3][CO2]**	**[6M]**

UNIT - III

FINANCIAL AND SECURITIES MARKETS

1	**a)**	Explain the functions of the Money Market and discuss its significance in maintaining liquidity in the financial system.	**[L2][CO3]**	**[6M]**
2	**b)**	Differentiate between the Money Market and the Capital Market with suitable examples.	**[L3][CO3]**	**[6M]**
2		Evaluate the structure of the Indian Securities Market and explain the functions of the Primary Market and Secondary Market in capital formation and investment.	**[L3][CO3]**	**[12M]**
3		Explain the Government Securities Market and discuss the features and significance of the Treasury Bills Market and the Commercial Bills Market in the Indian Money Market.	**[L2][CO3]**	**[12M]**
4	**a)**	Explain the features and advantages of Commercial Paper as a Money Market instrument.	**[L2][CO3]**	**[6M]**
	b)	Explain the features and role of the Certificate of Deposit in short-term financing with suitable examples.	**[L2][CO3]**	**[6M]**
5		Analyze the regulatory, developmental, and protective functions performed by SEBI in the Indian Securities Market.	**[L4][CO3]**	**[12M]**
6		Examine the process of listing securities on a stock exchange and evaluate its importance to companies and investors.	**[L5][CO3]**	**[12M]**
7	**a)**	Analyze the functions and importance of the New Issue Market (Primary Market) in capital formation.	**[L4][CO3]**	**[6M]**
	b)	Explain the concept of the Call Money Market and discuss its role in maintaining liquidity among financial institutions.	**[L2][CO3]**	**[6M]**
8	**a)**	Explain the concept of the Treasury Bill (T-Bill) Market with suitable examples and discuss its significance in the Money Market.	**[L4][CO3]**	**[6M]**
	b)	Classify the different types of Treasury Bills and compare their features and maturity periods.	**[L6][CO4]**	**[6M]**
9		Evaluate the trading mechanism adopted by stock exchanges and explain the role of technology in improving market efficiency.	**[L5][CO3]**	**[12M]**
10	**a)**	Explain the concepts of Book Building, Insider Trading, and Price Rigging in the Securities Market.	**[L3][CO4]**	**[6M]**
	b)	Explain the concepts of Buy-back of Shares and Lock-in Period, and discuss their importance in ensuring transparency and investor protection.	**[L3][CO4]**	**[6M]**

UNIT - IV

Fund based services

1	**a)**	Explain the concept, features, and objectives of Leasing as a source of finance.	**[L2][CO4]**	**[6M]**
2	**b)**	Classify the different types of Leasing and explain their characteristics with suitable examples.	**[L3][CO4]**	**[6M]**
2		Explain the structure of the Leasing Industry in India and evaluate the advantages and disadvantages of leasing.	**[L4][CO4]**	**[12M]**
3		Compare Financial Lease **and** Operating Lease. Explain the concept and significance of Sale and Lease Back with suitable examples.	**[L3][CO4]**	**[12M]**
4	**a)**	Explain the concept, features, and objectives of Hire Purchase.	**[L2][CO4]**	**[6M]**
	b)	Differentiate between Hire Purchase and Leasing with suitable examples.	**[L3][CO4]**	**[6M]**
5		Explain the concept, features, and stages of Venture Capital Financing and discuss its role in promoting entrepreneurship.	**[L3][CO4]**	**[12M]**
6		Explain the concept, functions, advantages, and importance of Consumer Credit and Factoring in meeting financial requirements.	**[L2][CO4]**	**[12M]**
7	**a)**	Differentiate between Hire Purchase and Instalment Purchase (Instalment Credit)**.**	**[L3][CO4]**	**[6M]**
	b)	Explain the concept, importance, and benefits of Housing Finance in India.	**[L2][CO4]**	**[6M]**
8		Evaluate the advantages, disadvantages, and features of Venture Capital Financing in India.	**[L4][CO4]**	**[12M]**
9		Analyze the role of Fund-Based Financial Services (Leasing, Hire Purchase, Factoring, Consumer Credit, Venture Capital, and Housing Finance) in the development of businesses and the economy.	**[L4][CO4]**	**[12M]**
10	**a)**	Write short notes on Venture Capital Financing, highlighting its objectives and significance.	**[L2][CO4]**	**[6M]**
	b)	Write short notes on Housing Finance, explaining its features and importance.	**[L2][CO4]**	**[6M]**

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UNIT – V

FEE-BASED SERVICES

1	**a)**	Define Fee-Based Financial Services and explain their features and importance in the financial system.	**[L2][CO5]**	**[6M]**
2	**b)**	Discuss the various Fee-Based Financial Services offered by financial institutions with suitable examples.	**[L3][CO5]**	**[6M]**
2		Explain the concept, functions, advantages, and limitations of Stock Broking and discuss its role in the securities market.	**[L3][CO5]**	**[12M]**
3		Explain the concept of Credit Rating and evaluate the working of the major Credit Rating Agencies in India**.**	**[L3][CO5]**	**[12M]**
4	**a)**	Explain the concept, functions, and scope of Merchant Banking in India.	**[L2][CO5]**	**[6M]**
	b)	Analyze the role of Merchant Bankers in the development of the Indian capital market.	**[L4][CO5]**	**[6M]**
5		Explain the concept, objectives, functions, and importance of Portfolio Management Services (PMS) in investment decision-making.	**[L3][CO5]**	**[12M]**
6		Analyze the challenges faced by Investment Bankers in the present-day financial environment and suggest suitable measures to overcome them.	**[L4][CO5]**	**[12M]**
7	**a)**	Explain the concept, objectives, and importance of Underwriting in the issue of securities.	**[L2][CO5]**	**[6M]**
	b)	Explain the concept, functions, and benefits of Depository Services in the Indian securities market.	**[L2][CO5]**	**[6M]**
8		Compare the functions of Merchant Banking**,** Stock Broking**,** and Portfolio Management Services in the Indian financial system.	**[L4][CO5]**	**[12M]**
9		Analyze the role of Fund-Based Financial Services (Leasing, Hire Purchase, Factoring, Consumer Credit, Venture Capital, and Housing Finance) in the development of businesses and the economy.	**[L5][CO5]**	**[12M]**
10	**a)**	Explain the different types of Stock Broking Intermediaries and discuss their functions in the securities market.	**[L3][CO4]**	**[6M]**
	b)	Write short notes on Investment Banking, highlighting its functions and the major challenges faced by investment bankers.	**[L3][CO4]**	**[6M]**

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