

GROUP – B

**(Indian Financial System)**

1. (a) Explain the structure of the Indian Financial system. 16

Or

- (b) Discuss the regulatory framework of Indian Financial system. 16

2. (a) Is there any necessity of existence of the stock exchanges operated on traditional system? Comment with regard to advantages of fully automated stock exchanges like the National Stock Exchange of India Ltd.

4+12=16

Or

(b) Explain how inter-bank short term lending and borrowing takes place in the Indian Money Market. 16

3. (a) Explain the main functions of Merchant Banks operating in India. 16

Or

(b) What do you understand by Mutual Fund ? Discuss the salient features of the SEBI (Mutual Funds) Regulations, 1996. 16

4. Explain with examples : (any two)  $8 \times 2 = 16$

(a) Put option

(b) Call option

(c) Certificate of Deposit

(d) Innovative Debt Instruments.

5. (a) Explain the role of Foreign Institutional Investors in Indian Capital Market. 16

Or

(b) What do you mean by foreign capital inflow ? Write briefly about advantages and disadvantages of foreign capital. 16