

Roll No:

DATE: _/ _/ _

St. Claret College

Autonomous, Bengaluru

UG END SEMESTER EXAMINATION-NOVEMBER 2025
BACHELOR OF BUSINESS ADMINISTRATION – III SEMESTER
BM 3325: INDIAN FINANCIAL SYSTEM



TIME: 3 hours.

10

MAX. MARKS: 80

This paper contains TWO printed pages and FOUR parts

Instructions:

1. Verify and ensure that the question paper is completely printed.
2. Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.
3. Students must check the course title and course code before answering the questions.

PART-A

Answer all the questions. Each answer carries one mark.

[10x1=10]

1. The market where short-term funds and instruments like T-Bills are traded is called the
a) Capital Market b) Money Market c) Forex Market d) Credit Market
2. The regulatory authority for the securities market in India is
a) SEBI b) IRDAI c) RBI d) NABARD
3. The new settlement system where trade is completed within a day is known as
a) T+3 b) T+2 c) T+0 d) T+1.
4. The controversy involving the Adani Group was initiated by
a) Bloomberg b) Hindenburg c) Reuters d) Moody's
5. The rate at which RBI lends short-term funds to commercial banks is called
a) CRR b) Bank Rate c) Reverse Repo Rate d) Repo Rate
6. A loan classified as non-performing after 90 days of default is termed
a) NPA b) Fixed c) Performing d) Liquid
7. The institution that insures deposits in banks up to ₹5 lakh per depositor is
a) NABARD b) DICGC c) SIDBI d) IRDAI
8. The body regulating the insurance sector in India is
a) SEBI b) RBI c) PFRDA d) IRDAI

9. Financial instruments used to fund eco-friendly or sustainable projects are called
a) Green Bonds b) Carbon Bonds c) Social Bonds d) Blue Bonds
10. The digital currency launched by the Reserve Bank of India is known as the
a) Electronic b) Digital c) Crypto d) Virtual

PART-B

Answer any three questions. Each answer carries eight marks. [3x8=24]

11. Explain the functions of financial system?
12. Explain the different types of Money and Capital Instruments?
13. Highlight the differences between Banking and Non-Banking Institutions?
14. Explain the functions of RBI in detail?
15. Write on note on cryptocurrency as an investment.

PART-C

Answer any three questions. Each answer carries twelve marks. [3x12=36]

16. Explain the components of Indian financial system?
17. Explain the impact on digital rupee on traditional banking?
18. Analyze and brief the various types of RBI' Monetary tools.
19. Explain the functions and intervention of SEBI in detail?
20. Explain the emerging trends and contemporary challenges of financial system?

PART-D

Answer the following case study. Case Study carries ten marks. [1x10=10]

21. India witnessed a sharp rise in IPOs from 2021 to 2023, with companies like Zomato, Nykaa, and Paytm entering the market. Strong investor interest, digital growth, and SEBI reforms such as T+1 settlement fueled the boom. However, some IPOs underperformed post-listing due to high valuations and speculation. Retail investors often sought quick gains rather than long-term value. The challenge remains in balancing market enthusiasm with investor awareness and realistic pricing.

- ✦ Identify the major factors that led to India's IPO boom during 2021–2023.
- ✦ If you were advising a client on investing in a new IPO, what steps would you suggest to make an informed decision?
