

Roll No.....

MBA-10 (Master of Business Administration)
Fourth Semester, Examination 2012
FM-2109
Management of Financial Institutions

Time: 3 Hours
60

Max Marks:

Note: This paper is of Sixty (60) marks containing three (03) sections, learners are required to attempt the questions contained in these sections according to the detailed instructions given therein.

Section-A

(Long Answer Type Question)

Note: This section contains four (4) long answers Question of fifteen (15) marks each. Learners are required to answer two (02) questions only. **(2x15=30)**

Q 1. "Financial institutions provide the means and mechanism of transferring command over resources from those who have an excess of income over expenditure to those who can make use of the same with view to adding to the volume of productive capital". Discuss.

Q 2. What is the need for development banks in India? Explain the objects and scope of Development Banks.

Q 3. Profitability, Liquidity, Safety and Social Welfare are the major principles which commercial banks strive to incorporate in their working. Explain.

Q 4. In the insurance sector a numbers of reforms have been introduced in the recent past. Explain them in brief.

Section B

(Short answer type Questions)

Note: This section contains (08) eight short type answer questions of (05) five marks each. Learners are required to answer (04) four questions only. Answer of these questions must be restricted to (250) two hundred fifty words approximately. (4x5=20)

Q 1. How IDFC has emerged as a company supporting infrastructure projects?

Q 2. State the role objectives of financial institutions in India.

Q 3. Write a note on IDBI.

Q 4. List any five significant changes in banking legislation.

Q 5. Discuss the powers of RBI under Banking Regulation Act.

Q 6. Write a note on SIDBI.

Q 7. Define Capital Adequacy Ratio. Describe its significance.

Q 8. What are the different sources of funds of a development bank?

Section C

(Objective-Type Questions)

Note: This section contains 10 (Ten) objective type Questions of one (01) mark each. All the questions of this section are compulsory.

(10x1=10)

State whether the followings statements are True and False:

Q 1. Financial system includes financial institutions and financial markets only.

Q 2. Scheme of social control of commercial banks in India was introduced in 1967.

Q 3. National Credit Council was created for the purpose of credit planning and assessing credit priorities on an all India basis.

Q 4. Erstwhile Industrial Development Bank of India (IDBI) was set up as a statutory corporation in 1976.

Q 5. Insurance Regulatory Authority was set up on the recommendations of the Malhotra Committee.

Indicate the correct answers.

Q 6. What is reasonable period allowed in India for the presentation of a cheque?

- (A) One Year (B) 3 Months
(C) 6 Months (D) 9 Months

Q 7. In case of guarantee there are;

- (A) Three contracts (B) Two contracts
(C) Four contracts (D) None of these

Q 8. Which of the followings is not a source of long term finance?

- (A) Bank Term Loan (B) Preference share capital
(C) Certificate of Deposit (D) Reserve and surplus

Q 9. Collecting banker is given the statutory protection only when he acts as:

- (A) Holder (B) Holder for value
(C) Holder in due course (D) An agent

Q 10. Financial institutions are required to classify their loans/advances into followings categories;

- (A) Standard (B) Doubtful
(C) Loss (D) All of them