

P.G. Diploma in Financial Institutions & Markets Examination
December 2009
(Freshers)

PAPER-I : MONEY AND BANKING

Time : 3 Hours

KUVEMPUR UNIVERSITY Max. Marks : 80
 DDE LIBRARY

SECTION-A *Jnana Sahyadri, Shankaraghatta* **5x2=10**

Answer the following in two or three sentences. Each question carries 2 marks.

1. a) What is Unit Banking?
- b) What is Credit Creation?
- c) Define 'Money'.
- d) What is 'Money Supply'?
- e) What is Savings Bank Account?

SECTION-B

5x8=40

Answer any FIVE of the following. Each question carries 8 marks.

2. Explain the effects of money supply.
3. Explain the determinants of structure of assets.
4. Explain the cash-transaction equation.
5. Explain the impact of Credit Creation.
6. Evaluate the functions of Commercial Bank.
7. Examine the mechanism of Balance Sheet.

SECTION-C

3x10=30

Answer any THREE of the following. Each question carries 10 marks.

8. Critically evaluate the Cambridge Equation.
9. Examine the importance of liquidity in Commercial Banking.
10. Explain the functions of Industrial Finance Corporation of India.
11. Examine the commercial Loan Theory.

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(Repeaters)

PAPER-I : MONEY AND BANKING

Time : 3 Hours

Max. Marks : 70

SECTION-A

Answer the following in two or three sentences. Each question carries 2 marks. 5x2=10

1. a) What are the components of money supply?
- b) Define demand deposit.
- c) Define high powered money.
- d) What is money multiplier?
- e) Define M_2 .

SECTION-B

Answer any FIVE of the following. Each question carries 6 marks. 5x6=30

2. Describe the functions of Money.
3. "Loans create deposits and deposits create loans" Elucidate.
4. Distinguish between commercial banks and NBFIs.
5. Describe the different types of banking.
6. Explain the concept of primary and derived deposits.
7. Write a note on Cambridge equation.

SECTION-C

Answer any THREE of the following. Each question carries 10 marks. 3x10=30

8. Explain the functions of commercial banks.
9. Define NBFIs. Explain the functions of NBFIs.
10. Define demand for money. Explain the factors influencing demand for money.
11. Critically examine the cash transaction approach.

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P.G. Diploma in Financial Institutions & Markets Examination
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PAPER-II : FINANCIAL MARKETS AND ECONOMY

Time : 3 Hours

Max. Marks : 80

SECTION-A

KUVEMPPI UNIVERSITY
 DDC LIBRARY

Answer the following in two or three sentences. Each question carries 2 marks. 5x2=10

1. a) State the significance of Financial Markets in an Economy.
- b) Distinguish between Euro-Dollar and Euro-Currency.
- c) What do you mean by on-line trading?
- d) Define SEBI.
- e) State the functions of the NSE.

SECTION-B

Answer any FIVE of the following. Each question carries 8 marks. 5x8=40

2. How did Financial Markets grew? Give a brief explanation.
3. Bringout the features of developed and undeveloped Money Markets.
4. Distinguish between Primary Market and Secondary Market.
5. Bringout the need for Regulation of Stock Exchanges.
6. Explain the growth of regional financial institutions.
7. Explain the importance of international financial flows.

SECTION-C

Answer any THREE of the following. Each question carries 10 marks. 3x10=30

8. Examine the significance and role of Financial Markets in growing economies.
9. Describe the impact of Euro-Dollar and Euro-Currency Markets in developing countries.
10. How do you explain the recent global down turn?
11. Critically examine the role of ADB in economic development of developing countries.

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PAPER-II : FINANCIAL MARKETS AND ECONOMY

Time : 3 Hours

Max. Marks : 70

SECTION-A

Answer the following in two or three sentences. Each question carries 2 marks.

5x2=10

1. a) What is Money Market?
- b) Define Capital Market.
- c) What do you mean by SEBI?
- d) State the two major functions of the SEBI.
- e) Define Issue Market.

SECTION-B

Answer any FIVE of the following. Each question carries 6 marks.

5x6=30

2. Explain the growth of Financial Markets.
3. Bringout the characteristics of developed Money Markets.
4. Briefly state the role of the BSE.
5. State the various constituents of Capital Market.
6. Give a brief account of the trends in international financial flows.
7. Distinguish between Money Market and Capital Market.

SECTION-C

Answer any THREE of the following. Each question carries 10 marks. 3x10=30

8. Critically examine the role of Financial Markets in the Indian Economy,
9. Examine the role of Asian Development Banks with special reference to developing economies.
10. How do you explain the recent global down turn?
11. Bringout the functioning of the Stock Exchanges in India.

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PAPER-III : APPLIED QUANTITATIVE TECHNIQUES

Time : 3 Hours

Max. Marks : 80

SECTION-A

Answer the following in two or three sentences. Each question carries 2 marks. 5x2=10

1. a) Define Subset.
- b) Define slope of a straight line.
- c) Define degree of an Equation.
- d) Define utility functions.
- e) Define integration.

SECTION-B

Answer any FIVE of the following. Each question carries 8 marks. 5x8=40

2. Explain the applications of straight line in Economics.
3. A firm has following total cost demand functions $C = \frac{1}{3}x^3 - 7x^2 + 111x + 50$, $x = 100 - P$
 - i) Find out the total revenue function R in terms of x,
 - ii) Find out maximising level of output.
 - iii) What is maximum profit?
4. Explain first and higher order derivatives in Economics.
5. The demand function for mutton is

$$Q_M = 4850 - 5P_M + 1.5P_0 + \cdot 1Y$$
 - i) Find the income elasticity of demand.
 - ii) The cross elasticity of demand for muttons at Y (income) = Rs. 1000, P_M (Price of mutton)=Rs 200, P_0 (Price of chicken)=Rs. 100.
6. Explain the different types of correlation Analysis.
7. Discuss the different types of Index Numbers.

SECTION-C

Answer any **THREE** of the following. Each question carries 10 marks. $3 \times 10 = 30$

8. Find the market equilibrium price and quantity for the demand and supply functions.

$$D = Y = 110 - 4x \quad S = Y = 30 + 4x$$

9. Calculate the coefficient of correlation from the following data.

x :	2	3	5	6	8	9
y :	6	5	7	8	11	12

10. Find the mean, median and mode from the following data :

Marks	0-10	10-20	20-30	30-40	40-50	50-60	60-70	70-80	80-90	90-100
No of students	3	5	7	10	12	15	12	6	2	8

11. Explain Time Series Analysis.

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PAPER-III : APPLIED QUANTITATIVE TECHNIQUES

Time : 3 Hours

Max. Marks : 70

SECTION-A

Answer the following in two or three sentences. Each question carries 2 marks. 5x2=10

1. a) Define function.
- b) What is meant by correlation?
- c) What is meant by primary data?
- d) Define index number.
- e) Define matrix.

SECTION-B

Answer any FIVE of the following. Each question carries 6 marks. 5x6=30

2. Distinguish between positive and negative correlation.
3. Calculate price and quantity for the following demand and supply functions.
 $x=2P+10$ and $x=5-4P$
4. Explain the various measures of dispersion.
5. Explain product transformation curve.
6. Explain the measurement of seasonal variations.
7. Explain the various uses of differential calculus in economic analysis.

SECTION-C

Answer any THREE of the following. Each question carries 10 marks. 3x10=30

8. Find the mean, median and mode for the following distribution.

Class interval	0-10	10-20	20-30	30-40	40-50
Frequency	12	20	22	6	2

9. Find the coefficient of variation for the following data.

Class interval	0-10	10-20	20-30	30-40	40-50
Frequency	15	20	22	5	3

10. Pareto's law of distribution of income for an economy is given by $N = \frac{8 \times 10^8}{x^{3/2}}$ find how many have income in between Rs.1600 and Rs.3600?

11. Compute Fisher's ideal index number for the following data.

Commodity	Base Year		Current Year	
	Price	Quantity	Price	Quantity
A	2	6	4	5
B	4	8	5	6
C	5	10	8	8
D	6	12	10	10

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PAPER-IV : INDIAN FINANCIAL SYSTEM

Time : 3 Hours

Max. Marks : 80

SECTION-A

Answer the following in two or three sentences. Each question carries 2 marks. 5x2=10

1. a) Define Financial Market.
- b) What do you understand by Financial Sector Reforms?
- c) Point out the demerits of traditional money lending.
- d) Write the functions of banks.
- e) State the Non-institutional Finance.

SECTION-B

Answer any FIVE of the following. Each question carries 8 marks. 5x8=40

2. Describe the structure of the financial system in India.
3. Elucidate the indicators of financial development.
4. Discuss the role of money lenders in India.
5. Review the role of ICICI.
6. Highlight the role of State Finance Corporations (SFCs).
7. Give an account of institutional sources of Finance in India.

SECTION-C

Answer any THREE of the following. Each question carries 10 marks. 3x10=30

8. Examine the evolution and significance of financial system in India.
9. Enumerate the major recommendations of Shivaraman Committee Report.
10. Substantiate the need of Regional Rural Banks for rural development in India.
11. Analyse the role of Export-Import Bank in India's external sector.

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PAPER-IV : INDIAN FINANCIAL SYSTEM

Time : 3 Hours

Max. Marks : 70

SECTION-A

Answer the following in two or three sentences. Each question carries 2 marks. 5x2=10

1. a) Picturize the structure of Financial System in India.
b) Explain the types of Banking in India.
c) Describe the structure of Cooperative Banks.
d) State the role of money lenders in the Indian Financial System.
e) What is Exim Bank?

SECTION-B

Answer any FIVE of the following. Each question carries 6 marks. 5x6=30

2. Explain the importance of Commercial Banks in Institutional Finance.
3. Why do we need Financial Sector Reforms - Substantiate.
4. How does Industrial Financial Corporation of India help in the development of Non-Institutional Finance?
5. Analyze the importance of Regional Rural Banks in the Financial Economy.
6. What are the merits and demerits of Traditional Money Lending?
7. Explain the trends in the Growth of Banking in India.

SECTION-C

Answer any THREE of the following. Each question carries 10 marks. 3x10=30

8. Explain the Financial Indicators of development in Indian Economy.
9. Describe the conditions laid by Narashimham Committee Report-II to regulate Indian Financial System.
10. Highlight the role played by NABARD in the Financial system.
11. How does State Finance Corporations help in the development of Indian Financial System?

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PAPER-V : INTERNATIONAL FINANCIAL INSTITUTIONS

Time : 3 Hours

Max. Marks : 80

SECTION-A

Answer the following in two or three sentences. Each question carries 2 marks.

5x2=10

1. a) What is Bretton Woods Plan?
- b) State two justifications for international monetary co-operation.
- c) How quotas are fixed by the IMF?
- d) State the sources of capital of the World Bank.
- e) What are the special funds of ADB?

SECTION-B

Answer any FIVE of the following. Each question carries 8 marks.

5x8=40

2. Explain the facilities provided by the IMF to its member countries.
3. Critically review the objectives of the World Bank.
4. Critically evaluate the benefits realised by India from the IMF.
5. Discuss the investment criterion of the International Development Association.
6. Give an account of the features of investment policy of the IFC.
7. Evaluate Asian Development Bank's contribution for India's development.

SECTION-C

Answer any THREE of the following. Each question carries 10 marks. 3x10=30

8. Critically evaluate the working of the IMF and examine the need for its restructuring.
9. What are SDRs? Examine their role in alleviating the shortage of international liquidity.
10. Explain the functions of the World Bank. How far its functioning has benefited the developing countries?
11. Discuss the problems and prospects of international financial institutions in a globalising system.

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PAPER-V : INTERNATIONAL FINANCIAL INSTITUTIONS

Time : 3 Hours

Max. Marks : 70

SECTION-A

Answer the following in two or three sentences. Each question carries 2 marks. 5x2=10

1. a) How is exchange rate fixed?
- b) What is international liquidity?
- c) Write the functions of IMF.
- d) What are Special Drawing Rights?
- e) State the objectives of World Bank.

SECTION-B

Answer any FIVE of the following. Each question carries 6 marks. 5x6=30

2. Examine the need for international financial institutions.
3. Write about the lending operations of IDA.
4. Explain the meaning of compensatory financing scheme.
5. What are the salient features of the World Bank's lending operations?
6. Write a brief note on the sources of capital of the IMF.
7. Briefly evaluate the activities of IFC.

SECTION-C

Answer any THREE of the following. Each question carries 10 marks. 3x10=30

8. Explain the contribution of IBRD towards reconstruction of the world economy.
9. Evaluate the lending operations of IMF to India.
10. Give a critical account of the role of international financial institutions in the globalised era.
11. Discuss the role of Asian Development Bank in helping economic growth of Asian countries.

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