



**K. K. Wagh Institute of Engineering Education & Research, Nashik**  
(An Autonomous Institute From A.Y. 2022-23)

| WINTER-2025  |                      |
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| Exam Seat No.:   |                      |
| Academic Year:2025-2026                                      | Semester: III        |
| Class: PG-II   | Program: MBA         |
| Branch Code: 10.   | Pattern:2024         |
| Name of Course: Indian Financial System and Financial Market | Course Code:2410614B |
| Max. Marks:60  | Duration:2.30 Hrs.   |

**Instructions:** Candidates should read carefully the instructions printed on the Question Paper and on the cover page of the Answer Book, which is provided for their use.

1. This question paper contains 2 pages.
2. Answer to each new question is to be started on a new page.
3. Assume suitable data wherever required, but justify it.
4. Draw the neat labelled diagrams, wherever necessary.
5. The last columns indicates the Course Outcome and level of Blooms Taxonomy of the Question/sub-question.
6. Q1 and Q2 are compulsory. Solve any one of (a) or (b) and (c) or (d) for Q3, Q4, Q5.

**Marks CO**

**Question No. 1**

- 1a) Explain any 6 characteristics of “Financial System” along with examples. (6) CO1

**Question No. 2**

- 2a)
  - Compare Cooperative banks with RRB’s.
  - Explain the two secondary functions of banks.
  - List down the “Principles of Sound lending” (6) CO2

**Question No. 3**

- 3a) Assess and Explain : (8) CO3

- i. Meaning of Capital market and its functions
- ii. Structure of the capital market ,i.e, Primary and Secondary markets
- iii. Major instruments of the Capital market
- iv. Initial public Offer Process

**OR**

- 3b) Assess and Explain : (8) CO3

- i. Meaning of Money Market
- ii. Role of the Reserve Bank of India (RBI) in the Money Market
- iii. Money Market Reforms in India

- 3c) Evaluate the meaning of Derivatives Market. Compare and Evaluate types of Derivatives Instruments with the help of examples. (8) CO3

**OR**

- 3d) Compare and evaluate the meaning of Derivatives Market and Commodity market along with : (8) CO3

- i. Application of Derivatives .
- ii. Any 3 roles of Commodity market.

Note : Use examples to explain the application of derivatives .

#### Question No. 4

4a) Rohan is a 25-year-old working professional. He has saved ₹1,00,000 and wants to invest it smartly. (8) CO4  
He is confused because his friends suggest different modern financial instruments:

- One friend tells him to invest in ETFs (Exchange Traded Funds).
- One friend says Real Estate Investment Trusts (REITs) are better.
- Someone else advises him to try Infrastructure Investment Trusts (InvITs) .
- Some also says ESG Instruments
- He has also heard about Green bond from a relative .
- And some says to buy gold or do FD.

Rohan wants to choose the safest and most suitable option for the next 3 years.

Analyse the above scenario and explain the modern financial instruments. Also evaluate, looking at present market conditions, what decision should be taken.

( Note : You can also suggest Rohan to invest in multiple instruments)

**OR**

4b) Examine what do you mean by Central Bank Digital Currency (CBDC). Evaluate Artificial Intelligence (AI) in Finance along with its any 6 uses. (8) CO4

4c) Evaluate the meaning of Financial Services. Also examine it on the basis of traditional financial services and investment- related services. (8) CO4

**OR**

4d) Evaluate and Examine “Blockchain” along with its any 8 uses. (8) CO4

#### Question No. 5

5a) Critically examine the concepts of Payments Banks and Small Finance Banks in India. Assess their effectiveness in advancing financial inclusion, and present a detailed comparison between the two. (8) CO5

**OR**

5b) Discuss and evaluate the significance of financial inclusion and financial literacy for economic development. Using your critical judgment, analyze any 6 in which ways technology promotes financial inclusion. (8) CO5

5c) From a higher-order perspective, assess the major challenges in India’s financial markets. Critically examine and explain any six issues affecting their growth and stability. (8) CO5

**OR**

5d) Under the topic of International Financial Market, analyze the following aspects in detail: (8) CO5

1. Global Market Structure
2. Key Global Institutions
3. FPI and FDI
4. Impact of Global Events on India

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