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Register Number:

DATE:

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**BBA/BBASF – V SEMESTER**

SEMESTER EXAMINATION: OCTOBER-2021

(Examination conducted in January – March -2022)

BBA DEB 5519 - Indian Financial System

Time- 2 ½ hrs Max Marks-70

**This paper contains \_2\_\_\_\_ printed pages and four parts**

**Section A**

**I. Answer *any five* of the following (2 x 5 = 10 marks)**

1. What is commercial paper?
2. Mention any two roles of financial system
3. What is cooperative bank?
4. State the objectives of SEBI.
5. What do you mean by Right Issue?
6. Give the meaning of credit rating.

**Section B**

**II. Answer *any three* of the following** (5 x 3 = 15 marks)

1. Discuss relevant provisions and objective of securities contract (regulation) act.
2. Summarize differences between primary market and secondary market.
3. What is factoring? Explain the mechanism of factoring.
4. Explain the role of NABARD in Indian economy

**Section C**

**III. Answer *any two* of the following** (15 x 2 = 30 marks)

1. Explain various methods of issue in primary market
2. What is money market? Discuss the types of money market instruments.
3. Explain the functions of RBI in detail

**Section D**

**IV. Answer the following** (15marks)

**14 Analyse the case and answer the question**

Yet another monsoon season was approaching; but Joshuna Begum (Begum) unlike her neighbours was not worried about her house being damaged during the monsoon. Her house now had a tin roof, mud walls and wooden windows, a luxury in rural Bangladesh. Earlier, Begum’s house had a straw roof and bamboo walls, which used to get damaged in the monsoon season, forcing the whole family to live in the kitchen. She got her hut repaired with a loan from the Bangladesh Grameen Bank

Begum wasn’t the only one; there were thousands of people in rural Bangladesh who had improved their living conditions with the help of the microfinance programs of Grameen Bank, a pioneer in microfinance. Grameen Bank helped thousands of poor Bangladeshi women to improve their lives by extending loans to them to start. their own enterprises. By 2003, it was reported that between 33-48% of Grameen Bank borrowers had moved above the poverty line. By 2003, with 1,170 branches across Bangladesh, Grameen Bank was seen as a role model for microfinance all over the world.

 Grameen Bank provides small loans to the poor people in rural Bangladesh without requiring collateral. The Grameen model, was devised by economist Muhammad Yunus in 1976, is based on groups of five prospective borrowers who meet regularly with Grameen Bank field managers. Typically, two of the five prospective borrowers are granted loans. After specific time , the first two borrowers meet the terms of repayment, then loans are granted to the remaining group members. Peer pressure acts as a replacement for traditional loan collateral.

Today it serves more than six million poor families. The Grameen Bank model was replicated across the world in developing countries and developed countries

 However, the Grameen Bank also attracted criticism from the media and economists all over world. Analysts pointed out that there was no proper monitoring of how the loans were utilized; it was reported that the loans availed of by women were used largely for consumption rather than for investment purposes. Analysts also pointed out that the accounting methods used by Grameen Bank were not in accordance with industry standards, and that the bank did not provide full details about its financial position and loan repayments position.

**Questions**

1. Summarize the on concept of Grameen Bank with its advantages and dis advantages (5 marks)
2. Can you identify similar kind of institutions in Indian Financial system (3 marks)
3. Explain the role of microfinance institutions in growth of Indian economy (7 marks)