

POST GRADUATE DIPLOMA IN RURAL  
DEVELOPMENT BANKING (PGDRBI)

Term-End Examination

June, 2012

00993

MCQ-043 : FINANCIAL INSTITUTIONS AND  
MARKETS

Time : 2 hours

Maximum Marks : 50

Note : Question no. 1 and 2 are compulsory.

Attempt any four of the remaining questions.

1. Write *true (T)* or *false (F)*. 1x5=5
  - (a) Call money comprises of overnight unsecured borrowing and lending.
  - (b) State Cooperative Banks are affiliated to DCCBs.
  - (c) Clearing Corporation of India is a Primary Dealer.
  - (d) The Board of Directors of SEBI has two nominees from the Reserve Bank of India.
  - (e) The pricing of equity share in an IPO is decided by the SEBI.
  
2. Give very brief answers in *one* or *two* sentences. 1x5=5
  - (a) State the relationship between interest rates and prices of bonds.
  - (b) Why RBI is called the lender of last resort ?
  - (c) What is Yield to Maturity ?

- (d) Who owns the share capital of cooperative societies ?
- (e) What is SGL ?
3. Write short notes. (*Any two*) **5x2=10**
- (a) REPO
- (b) CBLO
- (c) Limit orders
- (d) Book building
4. What are money market instruments ? List any four money market instruments and describe their features. **10**
5. Describe the roles and functions of NABARD with specific emphasis on its developmental functions. **10**
6. How the financial impairment in cooperatives is sought to be addressed by the Vaidyanathan Committee ? **10**
7. Commercial Banks play an important role in agriculture and rural development of the country. Elaborate. **10**
8. Setting up of Microfinance Institutions should be encouraged for achieving financial inclusion. Comment. **10**
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