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VPM's  
DR VN BRIMS, Thane  
Programme: PGDM (2018-20) (Finance)  
PGDM Trimester IV Examination September 2019

Subject	Financial Markets and Services		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages		Date	04.10.2019

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

The financial system design of Germany is bank-based while that of the United States is market based. With reference to this,

1. What is a Financial System Design?
2. List out any 4 countries having Bank-based financial systems and 4 countries having Market-based financial systems.
3. What are the characteristics of the financial system design of Germany?
4. Discuss the main differences between the two financial system designs.

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is Bank Panic?
- b) "Monetary Policy is an important tool for Price Stability" Explain this statement.
- c) Discuss the elements of a strong financial system.

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) "Credit Boom and Bust" is the first stage of a financial crisis. Do you agree with this statement? Discuss
- b) What is a "Nominal Anchor" Explain any 3 types of Nominal Anchors.
- c) Explain
  1. Currency in Circulation
  2. Reserves

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) "Qualitative and Quantitative measures used in a Monetary Policy by the Reserve Bank have different goals" Elaborate on this statement.
- b) What are the components of a Financial system?
- c) What is a Financial Crisis?

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is Market based Financial System?
- b) "India follows the Managed Float technique of Exchange rate determination" Do you agree with this statement? Explain
- c) What are the functions of a Financial System?

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain "Debt Deflation"
- b) Write a note on Money market instruments?
- c) Explain any 3 types of Quantitative credit control techniques used by the Reserve Bank of India

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is a Foreign exchange market?
- b) Explain "Asset Price Boom and Bust"
- c) Write a short note on Functions of the Reserve Bank of India