



Institute of Management
JK LakshmiPat University
Jaipur

MID TERM-I EXAMINATION-FEB 2019

BBA/B.Com(H)-. Sem-VI

MM: 20 Marks

Course: Indian Financial System

Time: 1.5 Hours

Subject code: FN09

Instructions: Attempt any four questions from below. Each question carries (5) Marks Each.

1. What is Bank based and market based financial system? Discuss its merit and demerits.
2. What is financial system? Discuss the various components of financial system.
3. "Treasury bills are an important short term source of finance for the government". Discuss
4. Saqib Ltd. is a large credit worthy company operating in the Kashmir Valley. It is an export oriented unit, dealing in exclusive embroidered shawls. The floods in the valley have created many problems for the company. Many craftsmen and workers have been dislocated and raw material has been destroyed. The firm is therefore, unable to get an uninterrupted supply of raw material, and the duration of the production cycle has also increased. To add to the problems of the organization, the suppliers of raw material who were earlier selling on credit are asking the company, for advance payment or cash payment on delivery. The company is facing a liquidity crisis. The CEO of the company feels that taking a bank loan is the only option with the company to meet its short term shortage of cash. As finance manager of the company name and explain the alternative to bank borrowing that the company can use to resolve the crisis. Also state the guidelines for the issue of the instrument you have suggested for.
5. Write short Notes on any two
 1. Call/Notice Money
 2. Certificate of Deposit
 3. Functions of Money Market