



**PRACTICE SET**  
**End Semester Examination, December, 2025**

**Program: BBA**

**Semester: V**

**Subject: Financial Institution and Markets**

**Subject Code: 11CCDE306**

**Course Learning Objective:**

The Objective of the course are classified as follows: -

**CLO 1:** To understand the foundational concepts and legal framework governing the relationship between banker and customer, including key rights, obligations, and case laws.

**CLO 2:** To familiarize students with the key regulatory frameworks and compliance requirements governing banks and financial institutions in India.

**CLO 3:** To introduce students to the structure of the Indian financial system and the functioning of its key markets and regulatory institutions.

**CLO 4:** To explore the scope and regulatory framework of financial services in India, including mutual funds, demat services, and securitization.

**Course Outcome:**

On completion of the Course, the students will be able to:

**CO 1:** Explain the nature of banker-customer relationships and the legal rights and responsibilities of bankers under various situations like lien, set-off, appropriation, and garnishee orders.

**CO 2:** Analyze the regulatory environment, including Basel III, SARFAESI Act, RBI and Banking Regulation Acts, and the compliance norms such as KYC, AML, and financial reporting requirements.

**CO 3:** Differentiate between various financial markets and instruments, and the roles of SEBI, stock exchanges, and reforms in the financial services sector.

**CO 4:** Analyze the functioning, classification, and management of mutual funds and the role of institutions like NSDL and CDSL in delivering modern financial service

## SECTION A

### Question for Five (5) marks:

1. Explain the concept of set-off right exercised by a banker. [CO1, Unit-I, BTL- LOT, Understand]
2. Define is a Garnishee Order, and what are the obligations of the banker upon receiving it? [CO1, Unit-I, BTL- LOT, Remember]
3. Define the relationship between a bank and its customer when the customer deposits money. [CO1, Unit-I, BTL- LOT, Remember]
4. Explain the principle laid down in Clayton's Case. [CO1, Unit-I, BTL- LOT, Understand]
5. Discuss the banker's obligation to maintain the secrecy of a customer's account? [CO1, Unit-I, BTL- LOT, Understand]
6. Explain the meaning of Know-Your-Customer (KYC) regulations. [CO2, Unit-II, BTL- LOT, Understand]
7. Describe the primary objective of the Anti-Money Laundering (AML) compliance requirements? [CO2, Unit-II, BTL- LOT, Understand]
8. Define the term Capital Adequacy Ratio (CAR) in the context of Basel III. [CO2, Unit-II, BTL- LOT, Remember]
9. List two key provisions of the SARFAESI Act, 2002. [CO2, Unit-II, BTL- LOT, Remember]
10. Differentiate between financial statements reporting and stress testing results reporting. [CO2, Unit-II, BTL- HOT, Analyze]
11. Explain the role of the Financial System in economic development. [CO3, Unit-III, BTL- LOT, Understand]
12. Describe the key features of the Money Market? [CO3, Unit-III, BTL- LOT, Remember]
13. Define Primary Market Operations. [CO3, Unit-III, BTL- LOT, Remember]
14. Explain the necessity of Listing for securities on a stock exchange. [CO3, Unit-III, BTL- LOT, Understand]
15. State are the major problems currently faced by the Financial Services Sector in India? [CO3, Unit-III, BTL- LOT, Understand]
16. Define a Mutual Fund and state its main objective. [CO4, Unit-IV, BTL- LOT, Remember]
17. State the scope of Financial Services in India? [CO4, Unit-IV, BTL- LOT, Remember]
18. Distinguish between open-ended and closed-ended mutual funds (Portfolio Classification). [CO4, Unit-IV, BTL- HOT, Analyze]

19. Describe the concept of Debt Securitization? [CO4, Unit-IV, BTL- LOT, Remember]
20. Explain briefly the need for De-mat Services. [CO4, Unit-IV, BTL- LOT, Understand]

## SECTION B

### Question for Ten (10) marks:

21. Explain the banker's right of lien over the customer's property. Are there any exceptions to this right? [CO1, Unit-I, BTL- HOT, Analyze]
22. Discuss the general and special obligations of a banker to his customer, with specific reference to honoring cheques. [CO1, Unit-I, BTL- LOT, Understand]
23. Illustrate the operation and application of the banker's right of appropriation of payments in multiple loan accounts. [CO1, Unit-I, BTL- LOT, Apply]
24. Critically examine the measures under Basel III aimed at improving the resilience of the banking sector. [CO2, Unit-II, BTL- HOT, Evaluate]
25. Explain the comprehensive reporting requirements that banks must ensure for regulatory authorities, covering capital adequacy ratios and stress testing. [CO2, Unit-II, BTL- LOT, Understand]
26. Explain how does the RBI Act 1934 regulate the functioning of commercial banks in India, and how does it interface with the Banking Regulation Act 1949? [CO2, Unit-II, BTL- HOT, Analyze]
27. Discuss the structure of the Indian Financial System, highlighting the inter-relationship between financial institutions, financial markets, and financial instruments. [CO3, Unit-III, BTL- LOT, Understand]
28. Explain the reforms undertaken in the Indian financial services sector in recent years, focusing on liberalization and modernization. [CO3, Unit-III, BTL- HOT, Analyze]
29. Describe the various Financial Instruments traded in the Capital Markets and categorize them by their risk profile. [CO3, Unit-III, BTL- LOT, Understand]
30. What are the key functions of Stock Exchanges in India, beyond merely providing a trading platform? [CO3, Unit-III, BTL- LOT, Remember]
31. Discuss the organization and management structure of mutual funds in India, including the roles of the sponsor, trustee, and asset management company (AMC). [CO4, Unit-IV, BTL- LOT, Understand]
32. Illustrate the concept and application of Debt Securitization in the Indian context. Who are the key players involved? [CO4, Unit-IV, BTL- LOT, Apply]
33. Describe the detailed operations of De-mat services. What crucial roles do NSDL and CDSL play in this process? [CO4, Unit-IV, BTL- LOT, Understand]

34. Analyze the Growth of Financial Services in India since liberalization, identifying the key drivers of this growth. [CO4, Unit-IV, BTL- HOT, Analyze]
35. Discuss the regulatory framework governing the Mutual Fund industry in India. [CO4, Unit-IV, BTL- LOT, Understand]
36. Critically evaluate the challenges banks face in complying with strict KYC and AML regulations, especially concerning digital transactions. [CO2, Unit-II, BTL- HOT, Evaluate]
37. Explain the necessity and legal procedures involved in enforcing the banker's right of appropriation and right of set-off. [CO1, Unit-I, BTL- HOT, Apply]
38. Discuss the role and responsibilities of SEBI in regulating primary and secondary market operations. [CO3, Unit-III, BTL- LOT, Understand]

### SECTION C

#### **Question for Twenty (20) marks:**

39. As a compliance officer for a major Indian bank, you are tasked with updating the legal team on the bank's rights concerning customer accounts. Prepare a detailed note explaining the implications and procedures for exercising the right of lien and right of set-off, ensuring clarity on when these rights can be legally invoked and detailing the impact of Clayton's Case on running accounts. [CO1, Unit-I, BTL- HOT, Create]
  40. Analyze the combined impact of the Banking Regulation Act 1949 and the RBI Act 1934 on the functioning of the Indian banking sector. Furthermore, critically evaluate the effectiveness of the SARFAESI Act, 2002 in helping banks recover non-performing assets (NPAs). [CO2, Unit-II, BTL- HOT, Evaluate]
  41. Discuss the structure, components, and significance of the Indian Capital Market. Explain the Listing Formalities required for companies and discuss the recent reforms initiated by SEBI to enhance market integrity and investor protection. [CO3, Unit-III, BTL- HOT, Analyze]
  42. Critically analyze the different types of Mutual Funds based on their portfolio classification (equity, debt, balanced, etc.) and management style (active vs. passive). Explain the regulatory guidelines governing the working of public and private mutual funds in India. [CO4, Unit-IV, BTL- HOT, Analyze]
  43. Examine the importance of stringent KYC and AML compliance requirements for maintaining the stability and integrity of the financial system. Evaluate the measures banks must take to ensure timely and accurate reporting of financial information to regulatory authorities under current mandates. [CO2, Unit-II, BTL- HOT, Evaluate]
  44. Prepare a comprehensive report detailing the evolution of De-mat services in India. Analyze the operational significance of NSDL and CDSL in the modern financial services landscape, explaining how their roles facilitate investment and trade in the secondary market. [CO4, Unit-IV, BTL- HOT, Create]
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Summary Sheet: BBA V Financial Institution and Markets (11CCDE306)

CO Wise:	Question No.	Marks
CO1	1, 2, 3, 4, 5, 21, 22, 23, 37, 39	85
CO2	6, 7, 8, 9, 10, 24, 25, 26, 36, 40, 43	105
CO3	11, 12, 13, 14, 15, 27, 28, 29, 30, 38, 41	95
CO4	16, 17, 18, 19, 20, 31, 32, 33, 34, 35, 42, 44	115
<b>TOTAL MARKS</b>	<b>(44 Questions)</b>	<b>400</b>

Unit Wise:	Question No.	Marks
I	1, 2, 3, 4, 5, 21, 22, 23, 37, 39	85
II	6, 7, 8, 9, 10, 24, 25, 26, 36, 40, 43	105
III	11, 12, 13, 14, 15, 27, 28, 29, 30, 38, 41	95
IV	16, 17, 18, 19, 20, 31, 32, 33, 34, 35, 42, 44	115
<b>TOTAL MARKS</b>		<b>400</b>

Blooms Taxonomy Level (BTL) Wise:	Question No.	Marks
LOT (Remember, Understand, Apply)	1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 20, 22, 23, 25, 27, 29, 30, 31, 32, 33, 35, 38	145
HOT (Analyze, Evaluate, Create)	10, 18, 21, 24, 26, 28, 34, 36, 37, 39, 40, 41, 42, 43, 44	255
<b>TOTAL MARKS</b>		<b>400</b>

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**Disclaimer:** - This is a Practice Set. The Question in End term examination will differ from the Practice set. This Practice set is meant for practice only.