



PRACTICE SET
End Semester Examination, December, 2025

Program: MBA

Semester: III

Subject: Managing Bank and Financial Institution

Subject Code: 11.621.7

Course Learning Objective:

- CLO 1:** To provide students with a comprehensive understanding of the Indian banking system, including its regulatory framework and the role of financial institutions.
- CLO 2:** To familiarize students with the functioning of regulatory institutions such as RBI, SEBI, IRDA, and PFRDA and their impact on the financial sector
- CLO 3:** To introduce students to the various financial markets in India and the products offered by banks and financial institution
- CLO 4:** To explore the role of financial institutions in economic development and the factors influencing financial markets.

Course Outcome:

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

- CO 1:** Students will demonstrate a clear understanding of the origin of banks, the Banking Regulation Act, and the functions of banks in India.
- CO 2:** Students will gain insights into the functioning of regulatory institutions and their role in maintaining financial stability and governance.
- CO 3:** Students will be proficient in understanding the different types of financial markets in India, including money market, capital market, and foreign exchange market, and the factors influencing them.

CO 4: Students will develop a deep understanding of products offered by banks and financial institutions, including retail and corporate banking products, mutual funds, credit rating agencies, and venture capital funds.

CO 5: Students will be able to demonstrate a comprehensive understanding of the pivotal role of financial institutions in economic development, specifically focusing on non-banking financial companies (NBFCs) and developmental banks, their activities, regulatory frameworks, and how they differ from traditional banks.

Questions for Five Marks

Q1. Explain the precautions to be taken by a customer while opening an account.
(CO1, Unit-I, BTL–LOT, Understand)

Q2. Compare between Scheduled and Non-Scheduled Banks.
(CO1, Unit-I, BTL–LOT, Understand)

Q3. Describe the functions of banks as per the Banking Regulation Act, 1949.
(CO1, Unit-I, BTL–LOT, Remember)

Q4. List any two schemes implemented recently for the development of women in rural areas.
(CO1, Unit-I, BTL–LOT, Remember)

Q5. Explain the significance of the Goods and Services Tax (GST) on banking operations in India.
(CO1, Unit-I, BTL–LOT, Understand)

Q6. Discuss the role played by the RBI in the economic development of the country.
(CO2, Unit-II, BTL–LOT, Understand)

Q7. What is a Capital Adequacy Ratio? Explain its purpose.
(CO2, Unit-II, BTL–LOT, Remember)

Q8. Explain the concept of corporate governance. List the importance of corporate governance.
(CO2, Unit-II, BTL–LOT, Understand)

Q9. Discuss the impact on the banking sector and the measures taken by the RBI to manage NPAs.
(CO2, Unit-II, BTL–LOT, Understand)

Q10. Explain the role of Commercial Banks in economic development.
(CO2, Unit-II, BTL–LOT, Remember)

Q11. Discuss the different types of financial institutions and their roles in the economy.
(CO3, Unit-III, BTL–LOT, Understand)

Q12. How is an NBFC different from a Bank? Explain.
(CO3, Unit-III, BTL–LOT, Remember)

- Q13.** State the regulatory framework governing NBFCs in India.
(CO3, Unit-III, BTL–LOT, Remember)
- Q14.** Interpret the concept of Payment Banks. Explain their purpose.
(CO3, Unit-III, BTL–LOT, Understand)
- Q15.** State the various methods of issuing securities in the primary market.
(CO4, Unit-IV, BTL–LOT, Remember)
- Q16.** Discuss the role of primary and secondary markets in the mobilization of household savings in our economy.
(CO4, Unit-IV, BTL–LOT, Understand)
- Q17.** Discuss the different types of mutual funds and the concept of Net Asset Value (NAV). How does NAV impact an investor's returns?
(CO4, Unit-IV, BTL–LOT, Understand)
- Q18.** Discuss in detail the various functions performed by merchant bankers in India.
(CO4, Unit-IV, BTL–LOT, Understand)
- Q19.** Give a brief note on the importance and advantages of mutual funds.
(CO4, Unit-IV, BTL–LOT, Understand)
- Q20.** What are the types of credit risk? Explain the methods of mitigating credit risk.
(CO4, Unit-IV, BTL–LOT, Remember)

Questions for Ten Marks

- Q21.** Discuss the major recommendations of the Narasimham Committee.
(CO1, Unit-I, BTL–LOT, Understand)
- Q22.** Analyze the recent reforms in the present-day banking sector in India.
(CO1, Unit-I, BTL–HOT, Analyze)
- Q23.** Discuss the provisions related to the definition of banking, licensing, functions of banks, and the role of inspections.
(CO1, Unit-I, BTL–LOT, Remember)
- Q24.** Explain the different retail and corporate banking products offered by banks and financial institutions. How do they cater to the diverse needs of individuals and businesses?
(CO1, Unit-I, BTL–HOT, Analyze)
- Q25.** Explain the concepts of RTGS (Real-Time Gross Settlement) and Internet Banking. How do these systems enhance banking services and facilitate smoother financial transactions?
(CO2, Unit-II, BTL–HOT, Analyze)

Q26. What are Basel Norms? Discuss the significance of Basel III capital adequacy standards and their impact on the banking industry.

(CO2, Unit-II, BTL–LOT, Understand)

Q27. Explain the CAMELS rating system. Describe its six components and how it helps assess the financial health of a bank.

(CO2, Unit-II, BTL–LOT, Understand)

Q28. Explain the activities and role of Non-Banking Financial Companies (NBFCs) in the Indian economy. How do they contribute to financial inclusion and provide credit to sectors underserved by banks?

(CO3, Unit-III, BTL–HOT, Analyze)

Q29. Compare and contrast the functions of banks and Non-Banking Financial Companies (NBFCs). How do their roles differ in terms of lending practices, regulatory oversight, and risk management?

(CO3, Unit-III, BTL–HOT, Analyze)

Q30. Define Development Banks. Discuss their objectives and how they support the industrial and infrastructural development of the country.

(CO3, Unit-III, BTL–LOT, Understand)

Q31. Discuss the regulatory framework for merchant banking in India. Describe the pre- and post-issue management activities undertaken by a merchant banker.

(CO4, Unit-IV, BTL–LOT, Understand)

Q32. SEBI and IRDA are two important regulatory agencies for the capital markets and insurance segments, respectively, in India. Discuss the measures taken by SEBI in the recent past for investor protection.

(CO4, Unit-IV, BTL–HOT, Analyze)

Q33. Explain an introductory conceptual overview of the Foreign Exchange Market. How does it operate, and what is its significance in global trade and investment?

(CO4, Unit-IV, BTL–HOT, Analyze)

Q34. Bring out the differences between the Capital Market and the Money Market.

(CO4, Unit-IV, BTL–LOT, Understand)

Questions for Twenty Marks

Q35. Evaluate the strengths, weaknesses, opportunities, and threats of Indian Commercial Banks.

(CO1, Unit-I, BTL–HOT, Evaluate)

Q36.

a) Evaluate the impact of monetary policy on the functioning of commercial banks and the overall economic performance of India.

b) Critically examine the key challenges and issues in India's financial reforms and restructuring,

with special reference to the role of the Insolvency and Bankruptcy Code (IBC).
(CO1, Unit-I, BTL–HOT, Evaluate)

Q37. Analyze the roles and functions of the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority (IRDA), and Pension Fund Regulatory and Development Authority (PFRDA) in promoting stability and efficiency in the Indian financial system.
(CO2, Unit-II, BTL–HOT, Analyze)

Q38.

- a) Examine the CAMELS rating system and its effectiveness as a tool for assessing the financial soundness of banks.
- b) Analyze the significance of each CAMELS component—Capital Adequacy, Asset Quality, Management Efficiency, Earnings, Liquidity, and Sensitivity to Market Risk—in evaluating a bank’s performance.
(CO2, Unit-II, BTL–HOT, Analyze)

Q39.

- a) Analyze the regulatory framework that governs Non-Banking Financial Companies (NBFCs) in India.
- b) Evaluate the major RBI regulations affecting the structure, operations, and risk management practices of NBFCs.
(CO3, Unit-III, BTL–HOT, Analyze)

Q40. Evaluate the structure and functioning of the Indian Money Market, highlighting its key components and existing drawbacks. Further, propose suitable measures to enhance its efficiency and integration with the global financial system.
(CO4, Unit-IV, BTL–HOT, Evaluate)

Q41.

- a) Evaluate the recent developments and innovations in the Indian Capital Market and their implications for investors and financial stability.
- b) Analyze the structure and composition of the Money Market, explaining its institutions and instruments with the help of suitable charts or diagrams.
(CO4, Unit-IV, BTL–HOT, Evaluate)

Q42. “The credit policy of a company has been criticized due to rising bad debts and an extended collection period.” Apply financial analysis to justify under what circumstances such criticism may not be valid.
(CO4, Unit-IV, BTL–HOT, Apply)

Q43. Differentiate between venture capital and angel investment, and evaluate the different types of venture capital funding. Further, analyze the operational mechanism and decision-making process of a venture capital fund.
(CO4, Unit-IV, BTL–HOT, Analyze & Evaluate)

Summary Sheet:**CO Wise:**

CO	Question NO.	Marks
CO1	1,2,3,4,5,21,22,23,24,35,36	105
CO2	6,7,8,9,10,25,26,27,37,38	95
CO3	11,12,13,14,28,29,30,39	70
CO4	15,16,17,18,19,20,31,32,33,34,40,41,42,43	150

Unit Wise:

Unit	Question No	Marks
I	1,2,3,4,5,21,22,23,24,35,36	105
II	6,7,8,9,10,25,26,27,37,38	95
III	11,12,13,14,28,29,30,39	70
IV	15,16,17,18,19,20,31,32,33,34,40,41, 42,43	150

Blooms Taxonomy Level (BTL) Wise:

BTL	Question No	Marks
LOT	1-20,21,22,23,26,27,30,31,32,34	190
HOT	24,25,28,29,33,35,36,37,38,39,40,41,42,43	230

Prepared By: Dr. Neha Chandra

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.