

*Answer any FIVE Questions One Question from Each Unit**Question No.11 is Compulsory***UNIT-I**

1. a Explain the structure and components of the Indian Financial System. 6M
- b Describe the role of RBI and its relationship with the financial system. 6M

OR

2. a Analyze the impact of RBI guidelines and directions on commercial banks. 6M
- b Evaluate the importance of sound banking policies in the Indian economy. 6M

UNIT-II

3. a Explain the organizational structure and major functions of the Reserve Bank of India. 6M
- b Describe the lending and operational policies of commercial banks. 6M

OR

4. a Analyze the growth and development of NBFCs in India. 6M
- b What are the major banking regulations governing commercial banks in India? 6M

UNIT-III

5. a Explain the concept and need for risk management in banks. 6M
- b Describe different types of risks faced by banks and methods to mitigate them. 6M

OR

6. a Evaluate the relationship between risk management and bank profitability. 6M
- b Discuss the regulatory framework for risk management in Indian banks. 6M

UNIT-IV

7. a What is the concept and objectives of development banking? 6M
- b Explain the working and contribution of IDBI, IFCI, and SIDBI. 6M

OR

8. a Discuss the role and operations of LIC, GIC, and UTI in the Indian financial system. 6M
- b Evaluate the contribution of DFIs to capital market development in India. 6M

UNIT-V

9. a Examine the emergence and role of new generation private banks in India. 6M
- b What is the concept and functioning of depositories in the Indian securities market? 6M

OR

10. a Discuss SEBI's role in regulating and promoting new financial instruments. 6M
- b Evaluate the impact of financial innovation on banking efficiency and customer satisfaction. 6M

CASE STUDY

- 11 **The Growth of Mutual Funds and Investor Awareness in India** 15M

In recent years, mutual funds have become one of the most popular investment options among Indian investors. The flexibility, diversification, and professional management they offer have attracted both small and large investors. Among the leading mutual fund companies in India, ABC Mutual Fund Ltd. (a hypothetical firm) has been particularly successful in building trust among retail investors. Established in 2010, ABC Mutual Fund began with just two schemes—an equity fund and a balanced fund. However, by 2024, it expanded its portfolio to include debt funds, hybrid funds, index funds, and exchange-traded funds (ETFs).

Despite the increasing popularity of mutual funds, ABC Mutual Fund observed that a

large segment of the Indian population, especially in rural and semi-urban areas, was still hesitant to invest. Many potential investors lacked awareness about the functioning of mutual funds, risk factors, and long-term benefits. To address this issue, ABC Mutual Fund launched a nationwide “Invest Smart India” awareness campaign in collaboration with SEBI. The campaign used social media platforms, financial literacy workshops, and vernacular-language advertisements to educate people about systematic investment plans (SIPs) and the importance of long-term wealth creation.

The initiative showed remarkable results. Within two years, the number of new investors increased by 35%, and the company’s total assets under management (AUM) grew by ₹8,000 crore. Moreover, a significant portion of the new investors came from Tier-II and Tier-III cities, demonstrating that awareness programs can bridge the knowledge gap and expand financial inclusion. ABC Mutual Fund also introduced investor-protection mechanisms, such as transparent disclosure of portfolio holdings and online grievance redressal systems, to further strengthen investor confidence.

This case highlights how mutual fund institutions can contribute **to** inclusive financial growth by combining innovative investment products with robust investor education. It also shows that the success of financial institutions today depends not just on returns, but also on transparency, trust, and awareness among investors.

Questions:

1. What factors contributed to the growing popularity of mutual funds in India?
2. Discuss how technology and social media can be used to promote investor awareness.
3. Suggest additional strategies mutual fund companies can adopt to improve rural investor participation.