

Unit 6 - Week 4

Course outline

How does an NPTEL online course work?

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- Lecture 16 : Financial market regulation
- Lecture 17 : RBI- structure and objective functions
- Lecture 18 : Monetary policy instruments
- Lecture 19 : Challenges and reforms in monetary policy and central bank autonomy
- Lecture 20 : SEBI, IRDA and PFRDA: structure and function
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Assignment 4

The due date for submitting this assignment has passed. **Due on 2020-02-26, 23:59 IST.**
As per our records you have not submitted this assignment.

- 1) Which of the following is not a structural regulation? 1 point
- a. Restrictions on entry
 - b. Restrictions on exit
 - c. Price controls
 - d. Rules mandating firms not to supply professional services in the absence of a recognized qualification.
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: c
- 2) Which among the following is true about RBI: 1 point
- a) RBI administers the foreign exchange control
 - b) Controls appointment, re-appointment, termination of appointment of the Chairman and chief executive officers of private sector banks
 - c) Establishes specific institutions like NABARD to develop agricultural sector
 - d) All of the above
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: d
- 3) Which among the following is a facility extended by the Reserve Bank of India to the scheduled commercial banks (excluding RRBs) and primary dealers to avail liquidity in case of requirement or park excess funds with the RBI in case of excess liquidity on an overnight basis against a collateral of government securities including state government securities? 1 point
- a. Selective Credit Control (SCC)
 - b. Open Market Operations (OMOs)
 - c. Liquidity Adjustment Facility (LAF)
 - d. Credit Authorization Scheme (CAS)
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: c
- 4) With reference to regulatory approaches, in _____ approach a single regulator oversees all types of financial institutions and provides both prudential regulation as well as conduct-of-business or consumer protection regulation 1 point
- a. Integrated
 - b. Twin Peak
 - c. Functional
 - d. Institutional
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 5) Which of the following statements is/are true: 1 point
- Statement I:** The Public Interest Theories of Regulations states that the regulation of firms or other economic actors contributes to the promotion of the public interest
- Statement II:** The Public Interest Theories of Regulation assumes governments are benign and capable of correcting these market failures through regulation
- a. Only I
 - b. Only II
 - c. Both I and II
 - d. Neither I nor II
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: c
- 6) Which of the following statements are true with respect to the Reserve Bank of India (RBI) 1 point
- Statement I:** RBI inspects the working of banks in India as well as abroad in respect of their organisational set-up, branch expansion, mobilisation of deposits, investments, and credit portfolio management, credit appraisal, region-wise performance, profit planning, manpower planning and training
- Statement II:** RBI prescribes maximum requirements regarding paid-up capital and reserves, transfer to reserve fund, and maintenance of cash reserves and other liquid assets
- a. Only I
 - b. Only II
 - c. Both I and II
 - d. Neither I nor II
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 7) Which among the following is/are the core functions of RBI? 1 point
- a. Controlling the volume of reserves of commercial banks
 - b. Setting interest rates
 - c. Setting foreign exchange rates
 - d. Setting tax rates
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a, b
- 8) What happens when CRR is increased? 1 point
- a. Decrease in money supply
 - b. Increase in demand for money
 - c. Decrease in inflation
 - d. All of the above
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: d
- 9) Which of the following is a monetary policy instrument? 1 point
- a. CRR
 - b. Liquidity Adjustment Facility
 - c. Moral suasion
 - d. All of the above
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: d
- 10) Conduct regulation is used to regulate the behavior of producers and consumers in the market. Which of the following is NOT an example of conduct regulation? 1 point
- a. Minimum quality standards
 - b. Environmental regulation
 - c. Labelling of products
 - d. None of the above
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: b
- 11) The RBI started functioning from: 1 point
- a. April 1, 1935 on the terms of the Reserve Bank of India Act, 1935
 - b. April 12, 1934 on the terms of the Reserve Bank of India Act, 1934
 - c. April 1, 1935 on the terms of the Reserve Bank of India Act, 1934
 - d. April 12, 1935 on the terms of the Reserve Bank of India Act, 1934
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: c
- 12) _____ are market operation conducted by RBI by way of sale/ purchase of Government securities to/ from the market with an objective to adjust the rupee liquidity conditions in the market on a durable basis 1 point
- a. Liquidity Adjustment Facility
 - b. Credit Authorization
 - c. Moral Suasion
 - d. Open market operation
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: d
- 13) The rate is the rate at which central bank allows finance to commercial banks. 1 point
- a. Bank rate
 - b. Repo rate
 - c. Reverse repo
 - d. SLR
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 14) The RBI's methods of credit control may be broadly divided into two parts 1 point
- a. Open and close
 - b. Monetary and fiscal
 - c. Rural and urban
 - d. Quantitative and qualitative
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: d
- 15) With reference to inflation targeting in India, which of the following is not true: 1 point
- a. The Central Govt. in consultation with RBI determines the inflation target annually
 - b. Inflation target is determined in terms of Consumer Price Index (CPI)
 - c. Benchmark policy rate (repo rate) is set in a way to keep the inflation within the specified target level
 - d. None of the above
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 16) The central government has the power to supersede SEBI 1 point
- a. True
 - b. False
- a
 b
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 17) SEBI advises IRDA in framing the regulations for insurance companies. 1 point
- a. True
 - b. False
- a
 b
- No, the answer is incorrect.
Score: 0
Accepted Answers: b
- 18) Which among the following is/are the objective(s) behind the use of SLR: 1 point
- a. To restrict expansion of bank credit
 - b. To augment banks' investment in government securities
 - c. To ensure solvency of banks
 - d. All of the above
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: d
- 19) _____ is used to reduce the supply of credit in certain directions and to encourage it in desired directions 1 point
- a. Direct Credit Allocation and Credit
 - b. Selective Credit Controls
 - c. Cash Reserve Ratio (CRR)
 - d. Liquidity Adjustment Facility
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: b
- 20) Which of the following committee introduced the Clause 49 of the Listing Agreement? 1 point
- a. N.R. Narayana Murthy Committee
 - b. Kumar Mangalam Birla Committee
 - c. Shri Uday Kotak Committee
 - d. A. C. Shah Committee
- a
 b
 c
 d
- No, the answer is incorrect.
Score: 0
Accepted Answers: b