

ADMISSION NUMBER											

School of Business
Bachelor of Business Administration
Mid Term Examination - May 2024

Duration : 90 Minutes
Max Marks : 50

Sem IV - D1UE401T - Legal Framework of BFSI

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) On what basis Non-Banking Financial Companies (NBFC) are different from banks? K3 (6)

- 2) The financial system is experiencing rapid innovation and interconnectedness, heightening concerns about systemic risks. Analyze specific sections of the Banking Regulation Act of 1949 and propose a multifaceted approach to address these risks. Consider how the regulatory framework can adapt to emerging technologies, interconnected financial institutions, and the potential impact of global economic events. K3 (9)

- 3) On January 6, 2020 by it's circular the RBI has announced the rationalization of Supervisory Action Framework (SAF) for UCBs. The announcement contains the action triggers in bringing about the desired improvement in the UCBs as also expeditious resolution of financial stress of the concerned UCBs. Summarise the measures in terms of financial parameters, asset quality, profitability and capital to risk weighted assets ratio. K4 (4)

- 4) RBI is monitoring the operations of a mid-sized private bank that has shown signs of liquidity stress. The authority is considering conducting an on-site inspection to assess the bank's risk management practices. Evaluate the regulatory measures available to the RBI for addressing liquidity stress, discuss the importance of on-site inspections, and recommend actions the bank could take to enhance its liquidity position. K4 (8)

- 5) The Board for Financial Supervision (BFS) is tasked with overseeing a nationalized bank facing challenges in complying with capital adequacy requirements. Explore the composition and functions of the BFS, discuss how it could assist the bank in strengthening its capital position, and analyze the potential implications of the BFS's interventions on the bank's financial stability. K4 (8)
- 6) In a televised address, Prime Minister Narendra Modi had announced the demonetisation initiative at 8 pm on November 8, 2016 to fulfil four objectives of checking terror-funding by Pakistan, printing of counterfeit currency, black money and corruption. In the light of the above discuss how many times India has gone through demonisation in pre-independence stage as well as post independence stage. Also discuss the implications of the above on the financial system of a country. K5 (5)
- 7) Critically analyze the eligibility criteria outlined for individuals/professionals and private sector entities/groups to promote banks under the 'continuous authorization' policy. Also discuss the rationale behind stipulating a 10-year track record in banking and finance at a senior level for both individuals and entities, and assess the significance of the ₹50 billion total assets threshold for private sector entities. K5 (10)