

Q. 4. Answer in detail (Any Two)

(20)

1. What are the key roles of banking institutions in the Indian economy?
2. Propose new strategies that could enhance the efficiency of banking institutions in India.
3. Assess the effectiveness of banking sector reforms in achieving their intended objectives.
4. What factors contributed to the progress and performance of nationalized banks in India post-nationalization?

Q. 5. The Indian capital market has undergone significant transformation, driven by regulatory reforms, technological advancements, and increasing participation from domestic and foreign investors. With a well-established regulatory framework, primarily governed by the Reserve Bank of India (RBI) and the National Stock Exchange (NSE), the market ensures stability, investor protection, and adherence to fair trading practices. These regulatory measures have strengthened market integrity and fostered greater investor confidence. (15)

One of the key strengths of the Indian capital market is its wide range of investment instruments, including exchange-traded funds (ETFs), corporate bonds, and sovereign gold bonds (SGBs). These investment options provide flexibility to investors, enabling them to diversify their portfolios according to their financial goals and risk tolerance.

The integration of FinTech solutions and Artificial Intelligence (AI)-based trading strategies has further revolutionized the Indian capital market. The introduction of algorithmic trading and mobile-based trading apps has enhanced market efficiency, making investment more accessible to retail investors. This digital transformation has also improved liquidity and price discovery mechanisms.

Additionally, policy measures such as the implementation of the Unified Payments Interface (UPI) in IPO applications and reforms in Foreign Portfolio Investment (FPI) regulations have contributed to the market's growth. These initiatives have not only simplified investment procedures but also increased participation from a broader range of investors.

- 1) Analyze the role of regulatory bodies like the RBI in maintaining transparency and stability in the Indian capital market.
 - 2) How have technological innovations impacted market efficiency and investor participation?
 - 3) Evaluate the significance of policy reforms enhancing market accessibility and liquidity.
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