



CANDIDATE DETAILS			
Access Number	Roll Number	For Official Use Only	Serial Number
Subject INTRODUCTION TO FINANCIAL SYSTEMS AND BANKING REGULATIONS			
Candidate's Name			
Father's Name			
CNIC Number			
Cell Number		E-mail	
I verify that my particulars given above are correct and I declare that I have read the INSTRUCTIONS printed in the examination booklet, and/ or given in the ISQ Examination Guidelines, violation of which would mean cancellation of my paper and debarment from appearing in future examinations.			
Candidate's Signature		Invigilator's Signature	



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The Institute of Bankers Pakistan

ISQ Examinations Winter - 2018 Stage I Introduction to Financial Systems and Banking Regulations

SEAL
BOOK
HERE

Section 2
Subjective Questions

Number of Questions: 7
Marks: 55

Allotted time : 120 minutes



INSTRUCTIONS FOR THE CANDIDATE

1. The candidate must abide by the ISQ Examination Guidelines sent along with the admit card.
2. The candidate must sign the booklet after verifying the particulars and should **NOT** write his/ her name or roll number etc. on any other page of the examination booklet.
3. The candidate is advised **NOT** to approach the invigilators for seeking any explanation related to the questions in the examination paper.
4. Laptops, mobile phones or any other gadgets are **NOT** permitted in the examination hall. **ONLY** non-programmable scientific calculator is allowed. If any candidate is found in possession of any restricted gadgets or items, his/ her examination paper will be cancelled immediately.
5. The candidate must ensure that the examination booklet has all the pages duly numbered. If any page is missing, damaged or not numbered, then return the booklet to the superintendent/ invigilator and obtain another booklet.
6. Write your answer **ONLY** in the given space for each question. Anything written outside the given space will not be considered for marking.
7. **ONLY** blue or black ball points are to be used.
8. The candidate must attempt **ALL** questions in the paper.

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Marks Obtained	Q.1	Q.2	Q.3	Q.4	Q.5	Q.6	Q.7	Total Marks	Total in words
Marker - I									
Q.C									
Scrutiny									
Re-Scrutiny									
Marker- II									

Signatures:

1. Marker - I

2. QC

3. Scrutinizer

4. Re-Scrutinizer

5. Marker - II



Q1. Briefly explain the FOUR secondary functions of the State Bank of Pakistan under the SBP Act, 1956. **(8 Marks)**

Lined area for writing the answer to Q1, consisting of 20 horizontal lines.





Q2.

A. Briefly explain the Interbank Money Market.

(3 Marks)

B. Describe the TWO major challenges faced by International Monetary Market. (2 Marks)

Q3.

A. What are the functions of a Management Company of Mutual Fund? (3 Marks)

B. Differentiate between Closed-ended Mutual Funds and Open-ended Mutual Funds. (2 Marks)



B. Describe the main forces determining the interest rate in an economy. (3 Marks)

C. How 'Current Account Deficit' influences the foreign exchange rate? Discuss. (2 Marks)

Q5.

A. Describe THREE major functions of Financial Intermediaries which are very important for a healthy financial system in an economy. (3 Marks)

B. Describe any TWO cost advantages of Financial Intermediaries. (2 Marks)



Q6.

A. According to Section 20 of the State Bank of Pakistan Act, 1956, SBP cannot engage in certain businesses. What are those businesses? (5 Marks)



B. Define “Exposure” according to the Prudential Regulations for Corporate/ Commercial Banking issued by the State Bank of Pakistan. (3 Marks)

Q7.
A. Discuss the main advantages of integration of Pakistan’s financial system with Global financial sector. (7 Marks)



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