

Total No. of Questions : 5]

SEAT No. :

PC3022

[6380]-2005

Total No. of Pages : 3

F.Y.M.B.A. (Finance)

**FIN - 205 - SC - FIN - 01 : FINANCIAL MARKETS AND
BANKING OPERATIONS**

(2019 Revised Pattern) (Semester - II) (GC-08)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) Attempt all the questions.
- 2) Figures to the right indicate full marks.
- 3) Draw neat labelled diagram wherever necessary.

Q1) Solve any Five (out of eight)

[10]

- a) List out FOUR types of ATM.
- b) A Treasury Bill is promissory note.
 - i) True
 - ii) False
- c) Write full form of NSE, BSE, CDSL, NSDL.
- d) Who controls the Capital Market?
 - i) RBI
 - ii) AMFI
 - iii) SEBI
 - iv) IRDA
- e) Which of the following are the instruments of money market?
 - i) Treasury Bills
 - ii) Certificate of Deposits
 - iii) Call Money
 - iv) All of the above
- f) Define the term DEMAT.
- g) What is term IPO and FPO?
- h) Define the term Repo rate and Reverse repo rate.

Q2) Solve any two (out of three).

[10]

- a) Difference between Money Market and Capital Market.
- b) Discuss the purpose of MUDRA Loan.
- c) Explain the concept of IMPS with its features & benefits.

P.T.O.

Q3) Solve any one.

[10]

- a) "Government Bonds are good for middle to long-term investing in the Indian Bond Market." Discuss with some examples.
- b) What major reforms in the Indian money market have been adopted by the Government of India?

Q4) Solve any one.

[10]

- a) Reyansh the CEO of a company thinks of going with the most popular method of raising funds used by the public companies. He discussed this option with his immediate subordinates. After discussion he realises that since his company is a private company he should think of some other option. Then they think of issuing the securities through intermediaries like issuing houses or stock brokers. When his nephew comes to know about his decision, he decides to suggest his uncle another way. He advises him to involve institutional investors which will help him raise funds more quickly and reduce many mandatory and non-mandatory expenses. After a lot of discussion, the option suggested by his nephew is chosen as final.
 - i) In the above case identify the various methods of floatation highlighted.
 - ii) Which method do you think will be applicable in the primary market?
 - iii) In which type of capital market trading of only existing shares is done?
 - iv) In which type of capital market only buying of securities is possible as securities can't be sold here?
 - v) Which type of capital market doesn't have fixed geographical location?

b) Rahul selects a person who is authenticated to buy or sell securities on his behalf. He is registered by SEBI. Then through this person Rahul opens an account with a bank. Then he takes the next step. He gives this person an order in which he specifies the number and types of securities to be bought or sold. The process moves forward. After getting the instructions from Rahul the selected person buys and issues d' paper. The paper contains the name and price of securities, brokerage charges and the name of the parties involved. Then comes the concluding stage of the process. Here, the trading of securities is done by the selected persons on behalf of Rahul.

- i) Which type of account is being indicated here?
- ii) What is the role of bank here?
- iii) What is the role of the person he has chosen?
- iv) What one condition should be met when giving orders for the purchase of securities?
- v) What is the name of the paper highlighted above?

Q5) Solve any one.

[10]

- a) Discuss the role and functions of banks and their contribution to the Indian Economy.
- b) Critically evaluate the role of regulatory bodies play in a financial system?

x x x

Total No. of Questions : 5]

SEAT No. :

PB2063

[Total No. of Pages : 3]

[6201]-205

First Year M.B.A.

**205 FIN-SC-FIN-01-GC-08 : FINANCIAL MARKETS AND
BANKING OPERATIONS**

(Revised 2019 Pattern) (Semester - II)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) Attempt all the questions.*
- 2) Figures to the right indicate full marks.*
- 3) Draw neat labeled diagram wherever necessary.*

Q1) Solve any five (out of eight).

- a) The objectives of SEBI include _____ [2]
 - i) To protect interests of investors
 - ii) To regulate securities market
 - iii) To promote the development of the market
 - iv) All of the above
- b) Bulls and bears are _____ [2]
 - i) Ordinary investors
 - ii) Government agencies
 - iii) Speculators
 - iv) Money lenders
- c) NBFC is Registered under the _____ [2]
 - i) Reserve Bank of India Act 1934
 - ii) Banking Regulation Act 1949
 - iii) Companies Act 1956
 - iv) None of the above
- d) List out any four functions of the bank. [2]

P.T.O.

e) Currency notes are issued by _____

[2]

i) RBI

ii) NABARD

iii) Public sector banks

iv) Central Government

f) Internet banking refers to _____

[2]

i) Operation of account through internet

ii) Opening of account through ATM

iii) Both (i) & (ii)

iv) None of above

g) _____ is the market where the existing securities of companies are traded.

[2]

i) Primary market

ii) Secondary market

iii) Money market

iv) None of these

h) _____ is a unsecured promissory note issued with a fixed maturity, by a company, and approved by RBI, maturity from 7 days to one year, issued at a discount on the face value.

[2]

i) Certificate of Deposits

ii) Treasury bill

iii) Commercial Bills

iv) Commercial papers

Q2) Solve any two out of three :

- a) Explain in detail Futures market with example. [5]
- b) Differentiate between Nationalized and Cooperative banks. [5]
- c) Explain in detail ECS. [5]

Q3) Solve any one :

- a) Elaborate Private Banks and Foreign Banks. [10]
- b) Elaborate any 4 Capital Market Instruments. [10]

Q4) Solve any one :

- a) A company uses a financial instrument for bridge financing. The instrument here is short term, low risk, unsecured and highly liquid. It needed to buy machinery for which it issued equity. This turned out to be expensive as this issue involved floatation costs. The company is large and has good credit worthy and this method has come up as a great help to it. Based on the above case study, answer the following: [10]
 - i) Which financial instrument is indicated in the above case?
 - ii) Which type of instrument is this?
 - iii) Name the types of floatation costs which are generally involved?
 - iv) How has this method helped the company?
 - v) Name 2 money market instruments which are issued at discount and redeemed at par.
- b) A company require Rs. 2 crore for inventory, payment of wages, salaries, maintaining bank balance etc. [10]
 - i) Suggest which financial market company may approach and why?
 - ii) State and explain the instruments to raise the finance in that market.

Q5) Solve any one :

- a) Explain in detail the reforms in Indian Money Market. [10]
- b) Critically evaluate the Role of SEBI in Capital Market. [10]



Total No. of Questions : 5]

P7883

[6118]-2005

M.B.A. - I

**205 FIN - SC FIN - 01 : FINANCIAL MARKETS AND BANKING
OPERATIONS**

(2019 Pattern) (Semester - II) (Revised)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

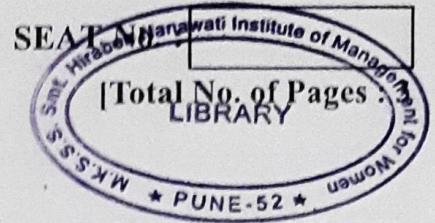
- 1) *Attempt all questions.*
- 2) *Figures to the right indicate full marks.*

Q1) Solve any Five out of Eight:

[10]

- a) What is Foreign Exchange Market?
- b) Define Electronic banking.
- c) Define ADR.
- d) List out the types of financial Market.
- e) Insurance companies in India are regulated by
 - i) RBI
 - ii) AMFI
 - iii) SEBI
 - iv) IRDA
- f) What is 'Cryptocurrency'?
 - i) New Currency launched by RBI
 - ii) Currency issued by Central Government
 - iii) Plastic Money
 - iv) Digital Medium of Exchange

R.T.O.



g) When money lent for more than a day but up to a fortnight is called

- i) Call money
- ii) Term money
- iii) Money at short notice
- iv) None of the above

h) _____ is an unsecured short term promissory note issued by creditworthy companies?

- i) Commercial paper
- ii) Interbank participation certificate
- iii) Repo
- iv) Certificate of deposit

Solve any Two out of Three:

[10]

- a) Explain the reforms in Indian Money market.
- b) State any five functions of the Securities and Exchange Board of India.
- c) Distinguish between Debentures and Bonds.

Solve any One:

[10]

- a) Differentiate between American Depositary Receipts (ADR) and Global Depositary Receipts (GDR).
- b) What is meant by 'New Issue Market'. Explain the various methods of floatation of new securities issue in this market.

Solve any One:

[10]

- a) Ganesh Steel Ltd.' is a large and creditworthy company manufacturing steel for the Indian market. It now wants to cater to the Asian market and decides to invest in new hi-tech machines. Since the investment is large, it requires long-term finance. It decides to raise funds by issuing equity shares. The issue of equity shares involves huge floatation cost. To meet the expenses of floatation cost the company decides to tap the money-market.
 - i) Name and explain the money-market instrument the company can use for the above purpose.
 - ii) What is the duration for which the company can get funds through this instrument?
 - iii) State any other purpose for which this instrument can be used.

b) Ashish selects a person who is authenticated to buy or sell securities on his behalf. He is registered by SEBI. Then through this person Ashish opens an account with a bank. Then he takes the next step. He gives this person an order in which he specifies the number and types of securities to be bought or sold. The process moves forward. After getting the instructions from Ashish the selected person buys and issues d' paper. The paper contains the name and price of securities, brokerage charges and the name of the parties involved. Then comes the concluding stage of the process. Here, the trading of securities is done by the selected persons on behalf of Ashish.

- i) Identify the process highlighted in the above case.
- ii) Which type of account is being indicated here?
- iii) What is the role of bank here?
- iv) What is the role of the person he has chosen?
- v) What one condition should be met when giving orders for the purchase of securities?

Q5) Solve any One:

[10]

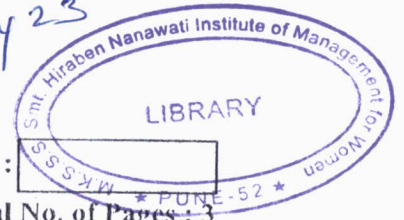
- a) Summarise the role of primary & secondary market in mobilization of savings of households in our economy.
- b) Evaluate the services other than accepting deposits and lending money provided by Banks.

→ → →

Total No. of Questions : 5]

P3818

July 23



SEAT No. : []

[Total No. of Pages : 3]

[6025]-205

F.Y. M.B.A. (Finance)

205 FIN - SC-FIN - 01 : FINANCIAL MARKETS & BANKING
OPERATIONS

(2019 Revised Pattern) (Semester - II) (Theory)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) Draw neat labelled diagram wherever necessary.
- 2) Figures to the right indicate full marks.
- 3) Attempt all the questions.

Q1) Solve any Five out of Eight.

- a) _____ is an alpha numeric code that uniquely identifies bank-branch participating in the NEFT system. [2]
 - i) IFSC
 - ii) STP
 - iii) SFMS
 - iv) RTGS
- b) In banking ATM stands for _____. [2]
 - i) Automated Tallying Machine
 - ii) Automated Teller Machine
 - iii) Automated Totalling Machine
 - iv) Automated Transaction of Money
- c) The relationship between a banker and its customer is basically _____. [2]
 - i) A debtor and a creditor
 - ii) A trustee and the beneficiary
 - iii) A principal and agent
 - iv) None of these
- d) Which of the following are the instruments of money market? [2]
 - i) Call money
 - ii) Certificate of deposits
 - iii) Treasury bills
 - iv) All of the above

P.T.O.

- e) Which of the following is the function of financial market? [2]
- i) Mobilization of savings
 - ii) Price fixation
 - iii) Provide liquidity to financial assets
 - iv) All of the above
- f) Non - Banking financial Companies are the financial intermediaries engaged primarily in the business of _____ [2]
- i) Lending loans and advances
 - ii) Leasing
 - iii) Hire purchasing
 - iv) All of the above
- g) What does I stands for in IMPS? [2]
- i) Instant
 - ii) Inter
 - iii) Interface
 - iv) Immediate
- h) IMPS is managed by? [2]
- i) RBI
 - ii) NPCI
 - iii) SBI and NPCI
 - iv) RBI and NPCI

Q2) Solve any TWO out of THREE.

- a) Explain in detail Commodity market with example. [5]
- b) Describe principles of Sound Bank Lending. [5]
- c) Explain in detail MICR. [5]

Q3) Solve any One:

- a) Elaborate Wholesale and Retail Banking [10]
- b) Elaborate the contribution of Banks to Indian economy. [10]

Q4) Solve any One:

- a) Ramesh buys a financial asset from the RBI. This financial asset is an instrument of short term borrowing. He has bought it because he doesn't want to take risk and wants an assured return. This instrument is a promissory note. It is highly liquid. This instrument is also known as Zero Coupon Bond. On this instrument is written T- 91. [10]
- i) Which financial asset is indicated in the above case?
 - ii) On whose behalf does the RBI issue this instrument?
 - iii) Why is this instrument called as the Zero Coupon Bond?
 - iv) What does T-91 denote here?
 - v) What is the minimum amount for which this instrument is available?
- b) Identify the type of financial market in the following cases with justification: [10]
- i) The value of securities issued by a company is low. It has not set up a huge financial outlay. Mr. Manuj has purchased 100 units of shares with the value of Rs. 8 each. Though he has small savings yet he is able to invest money in this financial market.
 - ii) A financial market deals only in short term securities. The securities in the market may even be issued for a single day.
 - iii) A financial market deals in medium term and long term securities such as equity shares and debentures.
 - iv) The participants in this financial market are institutions like banks, corporations, large sized companies and members of the public.
 - v) The securities in this financial market yield low rate of return.

Q5) Solve any One:

- a) "The role of technology is essential in banking services", justify the statement. [10]
- b) Critically evaluate the Role of Financial System in Economic Development. [10]

* * *