

Total No. of Questions : 5]

SEAT No. :

PB2063

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[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 inventors
 - 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]

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- 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]

