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Total number of printed pages – 2

MBA
MGT 205

Second Semester Regular Examination – 2014

FINANCIAL MARKETS AND INSTITUTIONS

BRANCH(S) : MBA

QUESTION CODE : F 487

Full Marks – 70

Time : 3 Hours

*Answer Question No. 1 which is compulsory and any **five** from the rest.
The figures in the right-hand margin indicate marks.*

1. Answer the following questions :

2×10

- (a) What is Non-Performing Assets of Banks ? Discuss one measure to reduce the level of NPAs by banks.
- (b) What is CRR and SLR ? What are its relevance ?
- (c) What are Scheduled Banks ? How are these different from Nationalized banks ?
- (d) What do you mean by SENSEX ? How is it different from SX40 ?
- (e) What do you mean by Credit Rating ? Mention at least two important credit rating agencies.
- (f) What is price band under book-building process ?
- (g) What are the innovative capital market instruments ?
- (h) How Debt Market differs from Equity Market ?
- (i) Who is a stock broker ? What is the necessity of a broker in the stock market ?
- (j) What do you mean by D'mat account ? Is it necessary to open a D'mat account for trading the shares ?

P.T.O.

2. Why is regulation of Banks so important ? Outline some of the important provisions of the Banking Regulation Act, 1949 with respect to (a) Capital requirements, (b) Licensing of Banks, (c) Maintenance of liquid assets. 10
3. What are the principles of Insurance ? How Insurance contract differs from Commercial Contract ? Explain in detail how insurable interest, utmost good faith and proximate cause are applicable in Insurance Contract ? 10
4. How Money Market differs from Capital Market ? Discuss the various money market instruments with their features. 10
5. "Listing is the green signal to trade shares in the Stock Market." Discuss the statement and point out the relative merits of listing of shares. 10
6. What do you mean by "Management of Risk" ? Explain the importance of Risk Management in Insurance. 10
7. (a) In the context of Indian Financial System, Financial Market comprises an important segment. Discuss. 5
(b) Classify the different Financial Institutions operating in India. 5
8. Write short notes on any **two** : 5×2
 - (a) Creation of Credit by Commercial banks
 - (b) Third Party Administrator
 - (c) Discount Finance House of India
 - (d) Indian Money Market.

