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Total Number of Pages: 2

MBA
15MNG306B

3RD SEMESTER REGULAR EXAMINATION, 2016-17
FINANCIAL MARKETS AND SERVICES

Branch: MBA
Time: 3 Hours
Max Marks: 100
Q.CODE:Y712

Answer Question No.1 and 2 which is compulsory and any four from the rest.
The figures in the right hand margin indicate marks.

Q1 Answer the following questions: (2 x 10)

- a) An efficient financial system through its constituents helps in----- along with----- thereby ensuring higher economic growth.
- b) The Transaction in primary market exists between----- while in secondary market, transactions exist between-----.
- c) Repo market helps in----- through----- in debt instruments.
- d) The objective of BOLT system is increasing----- and improve-----.
- e) Stock exchanges facilitate trade by----- against-----.
- f) The trading system under NEAT operates on a----- and ----- basis.
- g) Incase of open ended funds, investors may----- at any point of time where price is determined by-----.
- h) ----- and----- appoints an AMC to manage the affairs of the fund.
- i) Rating methodology involves an analysis of-----, issuer's business and -----.
- j) Venture capital broadly implies an investment of----- in-----.

Q2 Answer the following questions: 2x10

- a) Who are the players in the unorganized sector of the financial system?
- b) Which are the leading Money market institutions?
- c) What do the circuit breakers or price bands bring about?
- d) What is Margin trading?
- e) What do you mean by "Vetting of offer document or prospectus"?
- f) Why listing is done?
- g) What are the special features of an open-ended fund?
- h) What are the objectives of credit rating?

i) State the qualities required of a Merchant banker.

j) What are the different methods of venture capital financing?

Q3 What functions does Money market perform? Discuss briefly the various types of instruments that are dealt in Money market. 15

Q4 "Financial markets and Financial institutions play an important role in Financial system". Do you agree? Justify your answer. 15

Q5 What do you understand by New issue market? Explain the different methods of marketing corporate securities in the New issue market. Explain the regulations governing primary capital market in India. 15

Q6 Discuss in detail how trading on stock exchanges in India takes place? Critically examine the role of stock exchanges in the financial systems of a country. 15

Q7 Closed end funds generally invest in securities and financial instruments that are relatively illiquid. Where as most Mutual funds invest in widely traded stocks and bonds. Explain the difference between closed-end and open-end funds and why this liquidity distinction matters? 15

Q8 Write short notes on: 7.5+7.5=15

a) Criteria for analysing venture capital proposals

b) Regulatory provisions for venture capital funds in India