

MASTER OF VOCATION
Banking and Finance
Subject: Financial Institutions & Markets
Subject Code: GPSE206
Semester: Fourth
January 2021
Theory (External): 70 Marks
Time: 03 Hours

Instructions to the Students

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

Roll Number											

SECTION –A (SHORT/OBJECTIVE TYPE QUESTIONS)
(10x2=20 Marks)

- A. In the parlance of economy/commerce, what is “gilt-edged” market?
- Gold and silver market
 - Industrial securities market
 - Market for safe (such as government) securities
 - Market for software technology/ service products
- B. A rise in “Sensex” means
- A rise in prices of shares of all companies registered with the Bombay Stock Exchange
 - An overall rise in prices of shares of all companies registered with the National Stock Exchange
 - An overall rise in prices of shares of group of companies registered with the Bombay Stock Exchange
 - A rise in prices of shares of all companies belonging to a group of companies registered with the Bombay Stock Exchange
- C. Which of the statements given below is/are correct regarding “bear market”?
- It refers to fall in the value of investments
 - Investors rush to buy stocks instead of selling
 - Unemployment levels may rise

Select the correct answer using the codes given below:

- 1 only
 - 2 and 3 only
 - 1 and 3 only
 - 1, 2 and 3
- D. With reference to green bonds in India, consider the following statements:
- Green bond is a debt instrument issued for renewable as well as non-renewable energy projects
 - Both public and private sector banks can issue such bonds
 - It is a low-risk bond as repayment is tied to the issuer rather than success of the project

Which of the statements given above is/are correct?

- 1 and 2 only

- b) 2 and 3 only
c) 3 only
d) None
- E. The headquarters of Investment Information & Credit Rating Agency (ICRA) Limited is located in?
a) Mumbai
b) Gurugram
c) Noida
d) New Delhi
- F. Which is a full service credit rating agency exclusively set up for micro, small and medium enterprises?
a) SMERA
b) ICRA
c) ONICRA
d) CRISIL
- G. A merchant bank is a financial institution conducting money market activities and:
a) Lending
b) Underwriting and financial advice
c) Investment service
d) All of the above
- H. Issue management is an important function of _____ and _____.
a) Merchant banker, lead manager
b) Public banker, Merchant banker
c) Lead banker, Private banking
d) None of the above
- I. VCTs invest in which of the following assets?
a) Any new startup company
b) Company listed in stock exchange
c) Companies listed in AIM
d) None of the above
- J. What kind of account is needed by nominee to give effect to the transmission of shares?
a) Saving account
b) Demat account
c) Salary account
d) Current account

SECTION –B (ESSAY TYPE QUESTIONS)
(5x10=50 Marks)

1. Discuss the differences between the Money and Capital Markets, and the types of securities traded in those markets. Explain the role of SEBI in regulation of Indian financial markets.
2. Discuss the regulatory framework and growth of financial services in India?
3. Explain the concept of merchant banking? Also discuss the roles and responsibilities of merchant bankers in issue management.
4. What are the legal aspects and guidelines for venture capital? Also throw some light on growth of venture capital in India.
5. Elaborate the different types of leasing. Illustrate with example the evaluation of leasing option Vs. Borrowing.
6. What are the different credit rating agencies? Explain their functions and debt rating systems.
7. Write in detail the various types of factoring arrangement. Discuss the relevance of factoring in Indian context.
8. Describe the various types and functions of Mutual funds. Also explain the working of private and public mutual funds in India.

*****END OF PAPER*****