Sanjay Ghodawat University, Kolhapur

2019-20

Established as State Private University under Govt. of Maharashtra. Act No XL, 2017

Year and Program 2019-20, T Y BBA | **School of Commerce and Management** | **Department Management**

Course Code:-MBC FIN305 | **Course Title-Financial Markets & Institutions** | **Semester – Odd (V)**

Day and Date Friday 22/11/19 | **End Semester Examination** | **Time: 3 hrs, Max Marks: 100** 10.30am to 1.30pm

Instructions: 1) All Questions are compulsory.

		Marks	Level	COs
Q.1				
a)	**True or False (Any five)**	10		
	1. Shaktikanta Das is the present governor of RBI.		L1	CO1
	2. Association of Mutual Funds in India (AMFI) regulates SEBI registered mutual funds.		L1	CO1
	3. Bonds are long term instruments of raising funds		L1	CO1
	4. Forward contracts are exchange regulated contracts		L1	CO2
	5. Put option is an option to sell assets at an agreed price on or before a particular date.		L1	CO2
	6. Pension Fun Regulatory and Development Authority (PFRDA) is the pension regulator of India.		L1	CO3
b)	**Answer the short questions (Any five)**	10		
	1. What is intraday trading?		L1	CO4
	2. What is T+2 settlement?		L1	CO4
	3. What are small finance banks?		L1	CO5
	4. List any two credit rating agencies in India		L1	CO5
	5. What is financial lease?		L1	CO6
	6. What is term insurance plan?		L1	CO6
Q.2	**Answer the following**			
a)	Explain the role of Insurance Regulatory & Development Authority of India (IRDA) in the development and regulation of insurance industry in India.	10	L2	CO1
	OR			
a)	Summarize the structure of Indian financial system with its major components.	10	L2	CO1
b)	Illustrate the procedure of issuing new securities in market with all necessary steps.	10	L3	CO2
	OR			
b)	Demonstrate the functioning of Money Market in India.	10	L3	CO2
Q.3	**Answer the following.**			
a)	Appraise the role of commodity market in development of India.	10	L5	CO3
	OR			
a)	Aditya has obtained a loan at fixed rate of 13% from HSBC. He	10	L5	CO3

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expects the interest rates to decline and is willing to take the benefit of declining interest rates. He wants to convert his loan into a floating rate. HSBC offers him the floating rate of MIBOR+1.9%.

Another party Krishna has borrowed from CITI Bank at floating rate of MIBOR+1.5%. He expects the interest rates to rise in future and this will increase his commitment towards interest expenses. He is therefore willing to convert his loans into a fixed rate. CITI Bank offers him fixed rate @14%.

Both these parties approach NJ LTD. (a swap bank) to find out whether the swap deal can be effected and decide to swap their interest obligations and the overall benefit of swap shall be shared by 3 parties including swap bank in the ratio of 5:5:4.

You are required to estimate: - 1. Whether the interest rate swap deal can be effected? 2. Determine differential surplus of each of the three parties 3. Show how the interest rate swap will be arranged.

b)	Summarize the process of calculation of SENSEX. OR	10	L2	CO4
b)	Discuss the products and features of Bombay Stock Exchange. (BSE)	10	L2	CO4

Q.4 **Answer any Two**

a)	Illustrate the functions of regional rural banks in India.	10	L3	CO5
b)	Show the difference between commercial banks and Non Banking Finance Companies (NBFC) with appropriate examples.	10	L3	CO5
c)	Demonstrate the importance of cooperative banks in the development of India.	10	L2	CO5

Q.5 **Answer any Two**

a)	Demonstrate different modes of venture capital financing with their advantages and disadvantages.	10	L3	CO6
b)	Show the difference between endowment and term insurance plan with suitable examples.	10	L3	CO6
c)	Analyze the role of credit rating agencies in Indian capital market.	10	L4	CO6

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