

Basavarajeswari Group of Institutions
BALLARI INSTITUTE OF TECHNOLOGY & MANAGEMENT
(Autonomous Institute under Visvesvaraya Technological University, Belagavi)

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Course Code

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Third Semester MBA Degree Examinations, March/April 2024
FINANCIAL MARKETS AND SERVICES

Duration: 3 hrs

Max. Marks: 100

Note: 1. Answer any FOUR full questions from Question No. 1 to 7.
2. Question No. 8 is compulsory
3. Missing data, if any, may be suitably assumed

<u>Q. No</u>	<u>Question</u>	<u>Marks</u>	<u>(RBTL:CO:PO)</u>
1.	a. Mention the importance of Demat account.	03	(1 :1 : 1)
	b. Explain the objectives of CIBIL score.	07	(2 :1 : 1)
	c. List out the capital market instruments. Explain.	10	(4 :2: 2)
2.	a. Define the term capital market.	03	(1 :2: 2)
	b. Explain the term 'stock exchange' and illustrate its functions.	07	(2 :2: 2)
	c. Illustrate the types of stock market order with NSE-NEAT system.	10	(2 :2: 2)
3.	a. Articulate the term GDR and name two global indices for investment.	03	(3 :2 : 2)
	b. Interpret reforms in capital market of India.	07	(3 :2 : 2)
	c. Outline the objectives and functions of National Housing Bank.	10	(3 :1 : 1)
4.	a. State the challenges faced by the investment banker.	03	(2 :2: 2)
	b. Define leasing. Differentiate between financial lease and operating lease.	07	(2 :4: 4)
	c. Identify key credit rating agencies of India and write a short note on it.	10	(2 :5: 5)
5.	a. Explain the term 'Merchant banker'.	03	(2 :2: 2)
	b. Describe briefly the key features of commercial paper.	07	(2 :3 : 3)
	c. Classify the leasing. Explain with example.	10	(2 :4: 4)
6.	a. Enumerate the importance of OTCEI.	03	(2 :5 : 5)
	b. Explain factoring. Outline its functions.	07	(2 :4: 4)
	c. Identify the key credit rating agencies of India and explain their rating pattern.	10	(3 :5: 5)

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| 7. | a. | Explain the meaning of venture capital. | 03 | (3 :2: 2) |
| | b. | Outline the operations and participants of T-bills in money market. | 07 | (2 :3: 3) |
| | c. | Write a note on credit rating. | 10 | (3 :5: 5) |

8. **Case Study**

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| a. | A company uses a financial instrument for bridge financing. | 20 | (4 :2 : 2) |
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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 creditworthy and this method has come up as a great help to it. Based on the above case study, answer the following:

- (i) Which financial instrument is indicated in the above case?
- (ii) Which type of instrument is this? Name two money market instruments which are issued at discount and redeemed at par
- (iii) How has this method helped the company?

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