MB-116A

Sl.No. : **Total No. of Pages : 2**

Third Semester M.B.A. Degree Examination, May - 2025
(SLM Scheme) (Non - CBCS)
MANAGEMENT
Finance (Elective-A)
Financial Markets and Institutions

Time : 3 Hours **Max. Marks : 80**

SECTION - A

Q1) **Answer any Five sub-questions. Each Sub question carries Three marks.** **[5 × 3 = 15]**

a) What is a financial system?

b) What are monetary and fiscal policy?

c) What is a commercial paper?

d) Who are Venture Capitalists?

e) What is Non-Performing Asset (NPA)?

f) What is Anti-Money Laundering (AML)?

g) What is Consortium Lending?

SECTION - B

Answer any four questions. Each question carries Five marks. **[4 × 5 = 20]**

Q2) What are the important functions of Reserve Banks of India?

Q3) Distinguish between money markets and capital markets.

Q4) Explain in brief the main functions of Merchant Bank?

Q5) Describe the features of any two money market instruments.

Q6) Explain the working of any two credit rating agencies in India.

Q7) Write a note on:

a) ATMs

b) Micro Finance

SECTION - C

Answer any three questions. Each question carries Ten marks. [3 × 10 = 30]

Q8) Explain the role of SEBI in primary market and secondary market.

Q9) Discuss the role and functions of merchant bankers in the new issue market.

Q10) Discuss the functions that are performed by a financial system in the process of economic growth.

Q11) Explain the trading and settlement system under OTCEI.

Q12) Explain the role of RBI in regulating financial markets and institutions.

SECTION D

Q13) **Case (Compulsory)** **[1 × 15 =15]**

Financial market is not a usual market where you buy commodities but a special place where one can have all the necessary information about the different securities traded in the market. The buyers on the one hand get to know about the securities and they get a place where securities are sold helping reduce the wastage of time, effort and money. The financial experts say otherwise the job of the people involved in the securities transactions would have been really difficult. Securities get a buyer on the one hand and the seller on the other hand on a common platform-this helps in easy conversion of securities into cash. In the economies where there is no stock exchange the funds remain blocked. The money trapped in the houses should come out and flow in the economy and when they are invested in the shares of a company they have the capability to attain the maximum value, People would always like to sell securities on their own conditions. No government intervention can predict the price of securities. The stock market is a place which runs on the forces of demand and supply thus giving a security its price depending upon its demand. One wonders how the economy of a company can grow without the existence of financial market.

Question:

Identify and explain the functions of financial market discussed in the above case.

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