MBSC-3.1A

Sl. No.

III Semester M.B.A. Degree Examination, May/June - 2026
MANAGEMENT
Elective - A : Finance
Financial Markets and Institutions
(CBCS SLM Scheme)

Time : 3 Hours **Maximum Marks : 80**

SECTION - A

Answer any FIVE Questions. Each question carries Five marks. (5×5=25)

1. Briefly discuss the role of RBI in formulating monetary policy in India.

2. State any three instruments used by the RBI for monetary policy implementation.

3. Explain the main differences between FDI and FPI with examples.

4. Mention three key services provided by the stock market to investors.

5. List any four reasons for the recent downfall of the Indian stock market.

6. Explain one recent development in money market instruments in India.

7. List two features of electronic trading platforms for money market instruments.

SECTION - B

Answer any Four Questions. Each question carries Ten marks (4×10=40)

8. Describe the functions and structure of commercial banks in India. How these banks contribute to economic development?

9. Explain the challenges faced by commercial banks in India.

10. Discuss the advantages and economic impact of Foreign Direct Investment on the Indian economy.

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11. Explain the concept of private equity and its role in the Indian financial markets.

12. Evaluate the risks and benefits associated with Foreign Portfolio Investment in emerging markets like India.

13. Explain the measures taken in India to prevent money laundering in financial markets.

SECTION - C

14. Case (Compulsory). **(1×15=15)**

Between 2009 and 2011, ICICI Bank, led by then MD and CEO Chanda Kochhar, sanctioned loans totaling Rs. 3,250 crore to the financially stressed Videocon Group. The loan later became a Non - Performing Asset (NPA), causing major losses to the bank and triggering significant investigations. Chanda Kochhar and her husband Deepak Kochhar allegedly benefited financially from the loans granted to Videocon. Rs. 64 crore was routed from Videocon to NuPower Renewables, a company co-owned by Deepak Kochhar. Investigations revealed gross violation of conflict of interest norms and corporate governance lapses. Chanda Kochhar failed to disclose her financial interests and involvement in decisions relating to the loan.

Questions:

a) Discuss the key events and major findings of the ICICI Bank - Videocon loan fraud case.

b) Analyze the impact of this fraud on the Indian financial markets and banking institutions.

c) Explain the role of regulatory bodies like RBI and SEBI in addressing such cases.

d) What are the lessons for corporate governance and risk management in banks from this case?
