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Your Roll No.....

Sr. No. of Question Paper : 5741
Unique Paper code : 61011604
Name of the Paper : Financial Institutions and Markets
Name of the Course : **Bachelor of Management Studies (BMS), 2022 (CBCS)**
Semester : VI
Duration : 3 Hours
Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any five questions.
3. All questions carry equal marks.

1. Discuss the role and importance of financial markets in the growth and development of an economy. Briefly explain the factors that affect the working of financial markets in India. (15)

2. Differentiate between the working of Banks and Non-Banking Finance Companies. (15)

3. What do you understand by "Rights issue" and "Book Building of Shares" as a method of raising funds in the Financial Markets? How many shares would Tata Motors have to issue if the subscription price is Rs 450 per share and XYZ Ltd wanted to raise RS 9 crores, also calculate the value of right if market price of share is Rs 650 and TATA Motors currently has 1 lakh shares outstanding. (15)

4. GOI through RBI offers 8% Government Securities 2032 to raise Rs 1000 crores. Following are the details:

Maturity Date: 30th April, 2033, Coupon: 8% pa, Auction Date: 2nd May, 2022, Auction Settlement Date: 3rd May, 2022, Face Value: Rs 100. Following bids have been received:

P.T.O

Bidder	Bid Rate	Amount (Rupees in Crores)
A	100.21	230
B	100.27	350
C	100.38	170
D	100.16	220
E	100.28	360
F	100.32	190

- a) Who are the winning bidders? How much is allotted to each bidder?
- b) If the auction is a uniform price auction, what is the cut off price paid by each bidder? (15)
5. AMN Limited (Scrip Code:0000) has informed BSE that the company has fixed 20th April, 2022 as record date for the purpose of issue of sub division of equity shares of the company in the ratio 5:1 i.e. 5 shares of Rs 2 each for every one share of Rs 10 each held. Identify the necessary adjustments that exchange needs to make against the announced corporate action.
- a) Calculate adjustment factor
- b) What would be the new strike prices for existing strike prices of Rs 200, 240, 220, 260.
- c) Calculate new market lot as against the existing market lot of 125. (15)
6. Explain the myths associated with investing in stock markets in India? (15)
7. Write any three short note on: (15)
- a) Free float and Full Float capitalization method
- b) Clearing Corporation
- c) Buy Back of Shares
- d) BSE vs NSE
- e) Strategic Sale