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Your Roll No.....

Sr. No. of Question Paper : **6834**
Unique Paper Code : **61011604**
Name of the Paper : **Financial Institutions & Markets**
Name of the Course : **Bachelor of Management Studies (BMS),
2023 LOCF**
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.
 4. Use of Simple Calculator is allowed.
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1. (a) "Retail banking provides personalized financial services for individuals and very small businesses where as corporate banking is specialized in the financial needs of small, medium, and large businesses". Explain the statement with examples. (8)
 - (b) Explain with examples the credit rating system that assesses the strength of a bank through its six categories. (7)

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2. (a) "The companies having lower grade rating do not advertise or use the rating while raising funds from the public. In such cases the investor cannot get information about the riskness of instrument and hence is at loss ". Comment on above statement. Also, explain the role and mechanism of credit rating agencies in India. (8)
- (b) During the last decade, India has become a hub of start-ups and unicorns. As per a report by startupranking.com, India has the second-largest start-up ecosystem in the world after USA. Venture Capital Funds have a big role to play in the success of startups. Explain the role, process and stages of investment future of venture capital funds in India in the light of above statement. (7)
3. (a) What is the main aim of listing of securities? Can securities be listed in more than one exchange? Is listing of securities compulsory for every company? Mention some examples of companies who have recently listed their securities on NSE or BSE. (8)
- (b) Let three Scrips R, M & N constitute the index with the number of outstanding shares of each being 300, 400 & 500 respectively. The base period prices of the three scrips are Rs 20, Rs 50 and Rs 80 respectively while their current prices are R- Rs 110, M- Rs 130 and N- Rs 200 and index in the base period was put at 100. Determine the impact on the index if Company M issues a right in the ratio of 2:1 to its shareholders. Apply S & P methodology. (7)
4. (a) "The imbalance between supply and demand of securities is the only factor that affects prices in securities in stock markets. " Is this statement true? If not, then explain the factors that affect and influence the movement of price in price in stock market (8)
- (b) RBI issued a 91 -day Treasury bill of Rs.100/- (face value) issued at Rs, 98.30 at a discount of Rs. 1.70. Calculate Yield to the investors. Also, calculate the yield if after 41 days the same bill will be trading at Rs.99. (Assume no of days in a year 365) (7)

5. (a) Differentiate between Commercial Paper and Certificate of Deposit. (8)
- (b) Explain the process of issue of Government Securities in India. Who issues Government securities in India and list the major investors in them . Is there an active secondary market for sale / purchase of Government Securities in India. (7)
6. Write short Notes on **any Three** : (3×5)
- (a) Insolvency and Bankruptcy Code
 - (b) NPA in Indian Banks
 - (c) Types of Mutual Fund
 - (d) FDI vs FII
 - (e) MTM with illustration