



Name:

Enrolment No:

UPES

End Semester Examination, December 2023

Course: Financial Institutions and Markets

Program: INT BBA MBA

Course Code: FINC 3024

Semester: V

Time: 03 hrs.

Max. Marks: 100

Instructions:

SECTION A  
10Qx2M=20Marks

S. No.		Marks	CO
Q.1	What are the constituents of financial institutions and markets? A) Banks and Insurance companies B) Money and Capital Markets C) Government and Private Institutions D) None of the above	2	CO1
Q.2	Which entity is responsible for the regulation of money supply in India? A) SEBI B) RBI C) IRDA D) NABARD	2	CO1
Q.3	What is the regulatory body for the Indian Capital Market? A) RBI B) IRDA C) SEBI D) NABARD	2	CO1
Q.4	What is Book Building in the context of the Capital Market? A) A method of issuing securities where the price is determined later B) A type of accounting method C) A method of dividend distribution D) None of the above	2	CO1
Q.5	What is the role of NABARD in the Indian financial system? A) Regulating stock exchanges B) Promoting rural development through agriculture and allied activities C) Regulating insurance companies D) None of the above	2	CO1
Q.6	What is the significance of Non-Banking Financial Companies (NBFCs) in the financial system?	2	CO1

	<p>A) They provide insurance services  B) They complement the role of traditional banks in providing credit  C) They regulate the stock market  D) None of the above</p>		
<b>Q.6</b>	<p>Which type of loans are commonly securitized?  A) Personal loans  B) Auto loans and Housing loans  C) Business loans  D) None of the above</p>	<b>2</b>	<b>CO1</b>
<b>Q.7</b>	<p>What is the purpose of Financial Sector Reforms in India?  A) Promote fiscal policy  B) Enhance financial stability and efficiency  C) Regulate interest rates  D) None of the above</p>	<b>2</b>	<b>CO1</b>
<b>Q.8</b>	<p>How do financial sector reforms contribute to the Indian economy?  A) They promote international trade  B) They enhance efficiency, stability, and competitiveness in the financial sector  C) They regulate interest rates  D) None of the above</p>	<b>2</b>	<b>CO1</b>
<b>Q.9</b>	<p>What is the purpose of Private Placements in the capital market?  A) Issuing securities to the general public  B) Issuing securities to a select group of investors  C) Trading government bonds  D) None of the above</p>	<b>2</b>	<b>CO1</b>
<b>Q.10</b>	<p>What is the role of Development Financial Institutions like NABARD and SEBI?  A) Regulating commercial banks  B) Promoting specific sectors of the economy  C) Regulating stock exchanges  D) None of the above</p>	<b>2</b>	<b>CO1</b>
<p><b>SECTION B</b>  <b>4Qx5M= 20 Marks</b></p>			
<b>Q.11</b>	<p>Identify the difficulties in coordinating monetary and fiscal policies in India.</p>	<b>5</b>	<b>CO2</b>
<b>Q.12</b>	<p>Define the role of the RBI as the 'lender of last resort'.</p>	<b>5</b>	<b>CO2</b>
<b>Q.13</b>	<p>Describe the new issue market and highlight its significance for companies in need of capital.</p>	<b>5</b>	<b>CO2</b>
<b>Q.14</b>	<p>Who are the key participants in the Foreign Exchange Market?</p>	<b>5</b>	<b>CO2</b>

**SECTION-C**  
**3Qx10M=30 Marks**

<b>Q.15</b>	Identify and describe the essential components of the Indian financial system.	<b>10</b>	<b>CO3</b>
<b>Q.16</b>	Explain the functions of venture capital and private equity within the Indian capital market.	<b>10</b>	<b>CO3</b>
<b>Q.17</b>	Define securitization and outline its distinctions from conventional forms of financing. Can you provide an example to demonstrate how securitization converts illiquid assets into tradeable securities?	<b>10</b>	<b>CO3</b>

**SECTION-D**  
**2Qx15M= 30 Marks**

<b>Q.18</b>	<p>Analyze the key components involved in a liquidity risk assessment for a financial institution. How does it account for various types of risks, including market, funding, and contingent risks?</p> <p style="text-align: center;"><b>Or</b></p> <p>Break down the concept of book building in the context of capital markets. Provide a step-by-step explanation of the book building process for an initial public offering (IPO).</p>	<b>15</b>	<b>CO4</b>
<b>Q.19</b>	<p>Evaluate the impact of Non-Performing Assets (NPAs) on the profitability and lending capacity of commercial banks. Additionally, discuss effective strategies that can be implemented to manage and reduce NPAs within their loan portfolios.</p> <p style="text-align: center;"><b>Or</b></p> <p>Assess the assets that can be securitized and outline the considerations in the selection of assets for a securitization deal. Moreover, differentiate between mortgage-backed securities (MBS) and collateralized debt obligations (CDOs).</p>	<b>15</b>	<b>CO4</b>