



Name:

Enrolment No:

UPES

End Semester Examination, December 2024

Course: Financial Institutions and Markets

Program: INT. BBA-MBA

Course Code: FINC2092

Semester: 3

Time : 03 hrs.

Max. Marks: 100

Instructions:

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q 1	Which of the following best describes the "Money Market"?		
a)	A) Market for trading in commodities B) Market for short-term borrowing and lending C) Market for trading corporate bonds D) Market for real estate investment	2	CO1
b)	Which component of the capital market focuses on the issuance of new securities? A) Secondary Market B) New Issue Market C) Money Market D) Forex Market	2	CO1
c)	Which component of the capital market focuses on the issuance of new securities? A) Secondary Market B) New Issue Market C) Money Market D) Forex Market	2	CO1
d)	The primary regulatory body for the capital markets in India is: A) NABARD B) SEBI C) IRDA D) RBI	2	CO1
e)	What does "Asset Liability Management" primarily deal with? A) Enhancing profits by trading assets B) Balancing assets and liabilities to manage risk C) Issuing new loans for asset purchases	2	CO1

	D) Acquiring assets to expand business		
f)	In the context of Indian finance, "Securitization" typically refers to: A) Issuing government bonds for public projects B) Pooling various types of loans and selling them as securities C) Acquiring assets to expand market presence D) Setting interest rates for commercial banks	2	CO1
g)	What is one of the primary functions of the secondary market? A) To issue new shares B) To facilitate the trading of existing securities C) To manage debt and equity financing D) To control commercial interest rates	2	CO1
h)	The "Book Building" process is commonly associated with: A) Secondary market trading B) Price discovery during IPOs C) Corporate governance regulations D) Asset securitization	2	CO1
i)	What type of loans are typically securitized in India? A) Auto loans and housing loans B) Agricultural loans C) Corporate bonds D) Microfinance loans	2	CO1
j)	Strategies to manage Non-Performing Assets (NPAs) may include: A) Asset sale and restructuring B) Increasing interest rates C) Reducing capital adequacy D) Selling shares in the open market	2	CO1
SECTION B 4Qx5M= 20 Marks			
Q2.	Explain how NABARD contributes to rural development.	5	CO2
Q3.	How does SEBI promote transparency in the stock market?	5	CO2
Q4.	Explain the term "book building" and its relevance in the IPO process.	5	CO2
Q5.	What is the function of liquidity management tools like the Cash Reserve Ratio (CRR)?	5	CO2
SECTION-C 3Qx10M=30 Marks			
Q6.	Analyze the significance of the secondary market in the capital formation process. How does it enhance liquidity and promote investor confidence?	10	CO3
Q7.	Analyze the RBI's role in setting and regulating commercial interest rates in India. How does this impact inflation and economic stability?	10	CO3

Q8.	Discuss how SEBI has contributed to the development of a fair and efficient securities market in India. What challenges does it face in regulating the market?	10	CO3
SECTION-D 2Qx15M= 30 Marks			
Q9.	Evaluate the role of housing loan securitization in enhancing credit flow to the housing sector. What challenges does this practice pose for banks? Assess the impact of securitization on credit availability in India. Also assess the primary risks associated with increased securitization?	15	CO4
Q10.	Analyze the interrelationship between the money market and the capital market in India. How do these two segments complement and influence each other? Or Evaluate the effectiveness of banking reforms in India over the last decade. How have these reforms influenced the resilience of Indian banks?	15	CO4