

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM / PGDM (M) / PGDM (SM)

SIXTHTRIMESTER (Batch 2016-18)

END TERM EXAMINATIONS, April 2018

Course Name	Financial Markets & Services	Course Code	FIN 403
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS: Attempt all Questions.

Qs.1 (5 marks)

'PNB scam shouldn't lead to fear psychosis in financial system'. Illustrate and describe to what extent this has affected the financial system.

Qs.2 (2+5 marks)

- A 91-day treasury bill of face value Rs 100 is issued at a yield of 1.65%. Compute the issue price and yield per annum.
- Money market helps RBI in achieving monetary policy objectives. Explain

Qs.3 (4+4 marks)

- RBI has received following bids for a new Government security:
 - Rs 250 crore at bid yield of 7.80 percent
 - Rs 200 crore at bid yield of 7.72 percent
 - Rs 150 crore at bid yield of 7.83 percent
 - Rs 300 crore at bid yield of 7.70 percent
 - Rs 100 crore at bid yield of 7.85 percent
 - Rs 100 crore at bid yield of 7.86 percent
 - Rs 150 crore at bid yield of 7.87 percent
 - Rs 100 crore at bid yield of 7.88 percent

If the notified amount is Rs 1000 crore, compute the coupon rate and identify the bids that will be rejected.
- Of the 5,053 stocks listed on the BSE, there are 391 stocks in group A, which also includes the sensex's 30 stocks, and 1,115 stocks in group B. Write on the categories of grouping shares on BSE.

Qs.4 (2+2+3 marks)

- 'Branch Banking System is more popular than the Unit Banking System in India'. Justify the statement.
- 'Loans make deposits'. Discuss.
- 'The insured transfers his risk to the insurer'. Analyze the statement in the backdrop of 'Double Insurance' and 'Reinsurance'.

Qs.5 (3+3 marks)

- Summarize the functional difference among the Merchant Bankers, along with their capital adequacy stipulation.
- 'NBFCs are not allowed to function as Banks in India'. Elucidate with reasons.

Qs.6 (4+3marks)

- 'Basel III guidelines are improvement over Basel-II for improving the ability of banks to withstand periods of economic & financial stresses'. Justify the statement.
- Explain in brief the functions of Foreign Exchange Market and the tools used to settle the international obligations?