



JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM / PGDM (M) / PGDM (SM)

FOURTH TRIMESTER (Batch 2024-26)

END TERM EXAMINATIONS, OCTOBER 2025

SET-II

Course Name	Financial Institutions and Markets	Course Code	20225
Max. Time	2 hours	Max. Marks	40 MM

INSTRUCTIONS:

- This question paper has four questions
- Attempt all the questions
- Please be brief and concise in your responses, writing unnecessary things will attract heavy penalty
- This is a closed book examination
- State assumptions made, if any
- Marks are indicated against each question

Question 1:

What is the meaning of financial system? Describe the four types of financial markets.

(5 marks; CLO1 BT Level I)

Question 2:

- Compare* how treasury bills are different from commercial papers?
- A trader notices that the futures price of a stock is significantly higher than its spot price. *Demonstrate* how an arbitrageur can use this opportunity?

(2*5 marks=10 marks; CLO2 BT Level II)

Question 3:

- An anchor investor subscribes to 20% of an upcoming IPO. *Explain* how does anchor investor participation influence retail investor confidence and why is a lock-in period for anchor investors necessary?
- Illustrate* the concepts of circuit breakers and margin trading with the help of examples.

(2*5 marks=10 marks; CLO2 BT Level II)

Question 4:

- An investor wants to invest in mutual funds but is confused between open-ended schemes and close-ended schemes. *Explain* the difference between the two schemes. If the investor's goal is long-term capital appreciation, which scheme would you recommend and why?
- In 2018–2019, the IL&FS crisis triggered liquidity stress across the NBFC sector. *Explain* how maturity mismatches in NBFCs' balance sheets caused systemic risk.
- A car owner buys only third-party liability insurance, not comprehensive insurance. He faces an accident where his car is badly damaged, but no third party is involved. *Explain* whether his insurer will cover the repair costs and *outline* the relevant principle of insurance.

(3*5 marks=15 marks; CLO3 BT Level II)