

JAIPURIA INSTITUTE OF MANAGEMENT, NOIDA

PGDM / PGDM (M) / PGDM (SM)

SIXTH TRIMESTER (Batch 2017-19)

END TERM EXAMINATIONS, MARCH 2019

Set-II

| | | | |
|-------------|-------------------------------|-------------|---------|
| Course Name | Financial Market and Services | Course Code | FIN 601 |
| Max. Time | 2 hours | Max. Marks | 40 MM |

INSTRUCTIONS: Attempt all Questions.

Qs.1 (4 + 3 + 3 marks)

- Summarize the two types of accounts under NPS?
- In the context of motor insurance apply the Principle of subrogation with an example.
- State the factors affecting process of credit creation by commercial banks?

Qs.2 (6 + 4 marks)

- (a) 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.
- (b) 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.3 (5 + 5 marks)

- Explain in brief the functions of Foreign Exchange Market and the tools used to settle the international obligations?
- 'Yields on long-term bonds will fall only if there are deeper interest rate cuts and liquidity infusion by the Reserve Bank of India along with uncompromising fiscal discipline by the government'. Paraphrase this statement.

Qs.4 (6 + 4 marks)

- List SEBI categorization of mutual funds.
- Recommend with reason a mutual fund for an investor with following information:
 - Age 50 years
 - Financial goal: marriage of daughter after 5 years amounting Rs 60 lakh
 - Rs 40 lakh received today from an insurance policy
 - Risk averse