



PG – 973

I Semester M.F.A. Examination, January 2016  
(Semester Scheme) (New)  
**FINANCE AND ACCOUNTING**  
Paper – 1.6 : Financial Markets and Services

Time : 3 Hours

Max. Marks : 80

**Instruction:** Answer all Sections.

SECTION – A

Answer **any ten** sub-questions in about **3-4** lines **each** from the following. **Each** sub-question carries **two** marks. **(10×2=20)**

1. a) What is financial intermediation ?
- b) What is loan syndication ?
- c) What is discount market ?
- d) Distinguish between forwards and futures.
- e) What is option cycle ?
- f) What do you mean by equilibrium in financial markets ?
- g) What is Bank rate ?
- h) What do you mean by factoring services ?
- i) What is Marginal Standing Facility (MSF) ?
- j) What is credit rating ?
- k) What do you mean by derivatives ?
- l) Define financial market.

SECTION – B

Answer **any three** questions in about **one** page **each**. **Each** question carries **five** marks. **(3×5=15)**

2. Why do companies go for leasing of assets ? Explain.
3. What are the problems faced by financial services industry in India ?

P.T.O.

PG – 973



4. What are the advantages of underwriting ?
5. Explain Indian Financial System.
6. Explain the functions of discount and finance house of India.

SECTION – C

Answer **any two** questions, in about **3** pages **each**. Each question carries **fifteen** marks. **(2×15=30)**

7. Explain the trading and settlement system of OTCEI.
8. Discuss the role of merchant bankers in the new issue market.
9. Explain the role of SEBI in primary and secondary market.
10. Explain the role of RBI in regulating financial markets and institutions.

SECTION – D

**Compulsory :**

**(1×15=15)**

11. Describe the origin of venture capital in India and various stages of venture capital financing offered by the Indian Venture Capital Companies.



PG – 1046  
PG – 1046

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SECTION – A

Answer any ten questions in about 3 – 4 lines each from the following. Each question carries two marks. (10×2=20)

1. a) What is ASBA ?
- b) What are Pre-emptive rights ?
- c) What is Dry and Wet lease ?
- d) What is Marginal Standing Facility (MSF) ?
- e) What is stock option scheme ?
- f) What is loan syndication ?
- g) What are derivative contracts ?
- h) What is meant by open market operations ?
- i) What are the features of certificate of deposit ?
- j) What is without recourse factoring ?
- k) What is the difference between nominal rate and real rate of interest ?
- l) What is Marginal trading ?

P.T.O.



SECTION – B

Answer **any three** questions in about **one** page. **Each** question carries **five** marks.

(3×5=15)

2. Describe the features of any two money market instruments.
3. What is listing of securities ? What are the advantages of listing ?
4. What is the role of the RBI in security market ?
5. Highlight the importance of merchant banking.
6. Describe the process of Securitisation of debt.

SECTION – C

Answer **any two** questions in about **three** pages. **Each** question carries **fifteen** marks.

(2×15=30)

7. Describe the features of financial services.
8. Describe the role of SEBI as a regulator of the security market.
9. What are the characteristics of venture capital ? Enumerate the RBI guidelines.
10. Describe the different kinds of financial services provided by banks and financial institutions.

SECTION – D

(Compulsory)

(1×15=15)

11. The Indian Financial Sector is playing a vital role in economic development. Highlight the reforms introduced in various sectors such as banking, capital market, insurance and external sectors.