

**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR (AUTONOMOUS)**

Siddharth Nagar, Narayanavanam Road – 517583

**QUESTION BANK (DESCRIPTIVE)****Subject with Code: Financial Markets and Services (20MB9029)****Course: MBA****Year & Sem: II & I****Regulation: R20****UNIT –I****Introduction to Financial System**

<b>1</b>	Discuss the role of financial system in the economic development of a country.	[L2,CO1]	[10M]
<b>2</b>	Explain the Elements of Indian financial system	[L2,CO1]	[10M]
<b>3</b>	a. Write the objectives of financial system	[L3,CO1]	[5M]
	b. Describe the functions of financial system	[L2,CO1]	[5M]
<b>4</b>	Write short notes on the following a. Repo rate b. Bank Rate c. CRR d. SLR e. Reverse Repo rate	[L2,CO1]	[10M]
<b>5</b>	a. Describe the classification of financial institutions	[L3,CO1]	[5M]
	b. Write a short note on financial intermediaries	[L3,CO1]	[5M]
<b>6</b>	What are the important functions of Reserve Banks of India.	[L3,CO1]	[10M]
<b>7</b>	Explain the role and functions of SEBI	[L2,CO1]	[10M]
<b>8</b>	Describe the Role of RBI as a Regulator of the Indian Banking System	[L3,CO1]	[10M]
<b>9</b>	What is monetary policy? Discuss the techniques of monetary control of RBI.	[L3,CO1]	[10M]
<b>10</b>	Discuss the following a. Primary market b. Secondary Market c. Credit Market. d. Monetary Policy e. Forex Market.	[L3,CO1]	[10M]

**UNIT –II**  
**The Banking and Non-Banking Institutions**

<b>1</b>	Explain the structure and performance of banking institutions	[L2,CO2]	[10M]
<b>2</b>	a. Write a short notes on bank capital	[L3,CO2]	[5M]
	b. Write a short notes on banking innovations	[L3,CO2]	[5M]
<b>3</b>	What is the importance of co-operative banks in India? Explain the nature of the co-operative banks.	[L2,CO2]	[10M]
<b>4</b>	Distinguish between private bank and public bank performance	[L3,CO2]	[10M]
<b>5</b>	Discuss the following a. Deposit Multiplier b. Demand Deposit c. Time Deposit d. Over Draft e. SLR	[L3,CO2]	[10M]
<b>6</b>	Describe the functions of Non banking financial institutions	[L2,CO2]	[10M]
<b>7</b>	a. Discuss the role of IRDA.	[L3,CO2]	[5M]
	b. Discuss the role of AMFI	[L3,CO2]	[5M]
<b>8</b>	a. What is mutual fund? Give an example	[L2,CO2]	[5M]
	b. List out the types of mutual funds.	[L4,CO2]	[5M]
<b>9</b>	Explain in brief about growth and structure of mutual funds in India.	[L2,CO2]	[10M]
<b>10</b>	Elucidate the Indian insurance industry and its regulations.	[L3,CO2]	[10M]

**UNIT –III****Financial and Securities Market**

<b>1</b>	Show the classification of Indian financial markets in the form of a chart and explain the features of each market.	[L3,CO3]	[10M]
<b>2</b>	a. Write short note on functions of money market	[L3,CO3]	[5M]
	b. Explain the relationship between Money market and Capital market	[L3,CO3]	[5M]
<b>3</b>	Write short notes on the following a. Book Building b. Insider Trading c. Buy back of shares d. Price – rigging e. Lock in Period	[L2,CO3]	[10M]
<b>4</b>	a. Write short note on commercial paper	[L3,CO3]	[5M]
	b. Write short note on certificate of deposit	[L3,CO3]	[5M]
<b>5</b>	Elucidate the role and functions of SEBI.	[L2,CO3]	[10M]
<b>6</b>	What do you mean by listing of securities? Explain its process.	[L3,CO3]	[10M]
<b>7</b>	a. Describe the functions of New Issue Market?	[L3,CO3]	[5M]
	b. What is call money market? Explain it briefly	[L3,CO3]	[5M]
<b>8</b>	a. What is T-Bill market ? Give an example	[L2,CO3]	[5M]
	b. Explain the types of T-Bill market	[L2,CO3]	[5M]
<b>9</b>	a. What is Trading? Explain the different types of trading	[L3,CO3]	[5M]
	b. Describe in detail the method of trading in a stock exchange	[L2,CO3]	[5M]
<b>10</b>	Explain the trading and settlement procedure in stock exchanges	[L3,CO3]	[10M]

**UNIT –IV**  
**Fund Based Services**

<b>1</b>	a. Discuss about Leasing.	[L3,CO4]	[5M]
	b.Explain the different kinds of Leasing	[L2,CO4]	[5M]
<b>2</b>	a.Explain the structure of Leasing Industry in India	[L3,CO4]	[5M]
	b. write the advantages and disadvantages of Leasing	[L3,CO4]	[5M]
<b>3</b>	a. Distinguish between Financial Lease and Operating Lease.	[L2,CO4]	[5M]
	b. Write short notes on „Sale and Lease Back“.	[L2,CO4]	[5M]
<b>4</b>	Distinguish between hire purchase and lease	[L2,CO4]	[10M]
<b>5</b>	What is Hire purchase? Explain the various features of Hire Purchase Agreement	[L2,CO4]	[10M]
<b>6</b>	What is venture capital? Explain the various stages of venture capital financing.	[L3,CO4]	[10M]
<b>7</b>	a.Differentiate between hire purchase and installment lease	[L3,CO4]	[5M]
	b.Illuminate the importance of housing finance.	[L3,CO4]	[5M]
<b>8</b>	Elucidate the Consumer credit and factoring	[L2,CO4]	[10M]
<b>9</b>	a.List out the advantages and disadvantages of venture capital	[L3,CO4]	[5M]
	b.Explain the features of venture capital in India	[L2,CO4]	[5M]
<b>10</b>	Write a short notes on Venture capital	[L3,CO4]	[5M]
	Write a short note Housing finance	[L3,CO4]	[5M]

**UNIT –V**  
**Fee Based Services.**

<b>1</b>	a.What do you mean by Fee based Services?	[L3,CO5]	[5M]
	b.Discuss the various fee based services offered by financial services	[L2,CO5]	[5M]
<b>2</b>	a.Define stock broking? Give one example	[L3,CO5]	[5M]
	b. Explain the advantages and disadvantages of stock broking	[L3,CO5]	[5M]
<b>3</b>	Write short notes on the following a. Commercial Bank b. Merchant Bank c. Retail Banking d. Investment Banking e. CRR	[L2,CO5]	[10M]
<b>4</b>	What are the challenges faced by the Investment bankers	[L3,CO5]	[10M]
<b>5</b>	Explain the working of various credit rating agencies in India.	[L2,CO5]	[10M]
<b>6</b>	The scope of merchant banking is great in India. Discuss	[L3,CO5]	[10M]
<b>7</b>	Elucidate different types of intermediaries in stock broking.	[L3,CO5]	[10M]
<b>8</b>	a.Write a short notes on CRISIL	[L2,CO5]	[5M]
	b.Write a short notes on ICRA	[L3,CO5]	[5M]
<b>9</b>	Discuss depository services in India	[L3,CO5]	[10M]
<b>10</b>	a.Write a short notes on Underwriting	[L2,CO5]	[5M]
	b.Write a short notes on Credit rating	[L3,CO5]	[5M]

**PART- B**  
**CASE STUDY**

**CASE:1**A business firm issues a money market instrument to finance its working capital requirements. In order to finance the credit sales of the firm it issues this instrument. A textile firm which is taking goods on credit from this firm promises to buy on the 25th of the next month. The selling business firm makes use of this instrument when the date arrives.

1. Which money market instrument is highlighted in the above case?
2. What is the role of commercial bank in the above process?
3. Explain the above process in detail.

**CASE :2** A bank named 'Dhan Sangraha Karta' allows Kapoor family to deposit their money time and again in it. It gives a definite return to this family which is in the form of interest. To get this interest the money stored in the household of Kapoor family gets entry into this bank. Nearby there is a stock exchange, Mr. Raj an Kapoor, who is the head of the family, goes there and buys securities. He says that in this way more return is earned by him on his saved money though the risk is also there.

1. Identify the process in above case performed by the bank and the stock exchange.
2. What are the roles of the bank and the stock exchange with respect to each other?
3. Name a condition for the bank to perform its role in this process.
4. Name a condition for the stock market to perform its role in this process.

**CASE :3** A Machine has a service life of 10 years can be purchased for Rs.1,80,000/- it can also be leased for rentals per annum at the beginning of each year. A contractor requires for the use of this machine for 2 years and then sells it at 80% of purchase price. It can be partially financed by own to extent of Rs.80,000/- and balance by borrowing at interest rate at 18% per annum. The loan is to be repaid by the sale of machine. Depreciation is to be calculated at written down method. The tax rate is 50%. The NPV Factor is 10% prepare a suitable statement and advise the contractor to buy or lease the machine.

**CASE :4** Ganesh Steel Ltd.' is a large and creditworthy company manufacturing steel for the Indian market. It now wants to cater to the Asian market and decides to invest in new hi-tech machines. Since the investment is large, it requires long-term finance. It decides to raise funds by issuing equity shares. The issue of equity shares involves huge floatation cost. To meet the expenses of floatation cost the company decides to tap the money- market.

1. Name and explain the money-market instrument the company can use for the above purpose.
2. What is the duration for which the company can get funds through this instrument?
3. State any other purpose for which this instrument can be used.

