

Whether to tap equity or debt. Market whether to raise money from domestic market or international market or combination of both? Whether to raise the necessary finance from money market or capital market. It is also planning to list itself in New York stock Exchange to raise money through ADR's. To Make its offering attractive it is planning to offer host of financial plans and products to its stakeholders and investors and also expand its listing at NSE after complying with the regulations of SEBI.

- a) What benefits will the company derive from listing at NSE? **7**
- b) What are the regulations of SEBI that company must comply with? **7**



M.B.A. Semester – III
Paper MBA/3101/F
Indian Financial System

P. Pages : 4

Time : Three Hours

Max. Marks : 70

- Notes : 1. Attempt **All** questions.
2. Figures to the right indicate marks.

SECTION - A

1. a) "Financial Institutions are one of the most important pillars of the Indian financial system". Discuss the statement giving the various types of financial institutions operating in India. **14**

OR

- b) What do you mean by capital accumulation? What measures would you suggest to increase the rates of capital accumulation in a developing economy? **14**

SECTION - B

2. a) Distinguish between money market and capital market. **7**
- b) Investment in capital market involves high risk as compared to other financial market. But it also gives better return if investors follows some principles of investment in capital market. As an Investment Advisor, discuss which types of principles should one follow for investment in capital market. **7**

OR

- c) Critically examine the impact of developments in the emerging foreign exchange markets. **7**
- d) "The most important index in financial market is the stock index, which uses a set of stock that are representation of the whole market or a specified sector, to measure the change in the overall behaviour of the market or sector over a period of time." Do you agree? Why or why not? **7**
3. a) Which institutions constitute the major part of NBFC's sector and how it works in India? **7**
- b) 'Aadhar Bank pvt Ltd' has newly started their banking operations in your city. The management of the bank wants to design their banking policy and practices. As a finance consultant, how would you assist the management of the bank by applying the banking regulations laid down by RBI regarding various credit facilities and services? **7**

OR

- c) In what ways Development Banking differs from commercial Banking? Explain. **7**
- d) 'Life insurance companies are coming out with more of market linked products.' Explain the reason for rise in these types of product by bringing out advantages and disadvantages associated with them. **7**

SECTION - C

4. a) What are the recent developments taken place in all the TB's market in India? Explain. **7**
- b) 'A commercial paper is an Unsecured short term promissory note, negotiable and transferable by endorsement and delivery with a fixed maturity period'. Discuss. **7**

OR

- c) Compare 'Certificate of deposits' and 'Commercial paper'. **7**
- d) 'Certificate of deposits are Unsecured, negotiable short term instruments in bearer form, issued by commercial banks and development financial institutions.' Discuss. **7**

SECTION - D

5. Himanshu limited is a real estate company which was formed in 1960. In about 56 years of its existence the company has managed to carve out a niche for itself in this sector. Lately, this sector is witnessing a boom due to the fact that the Indian economy is on the rise. The incomes of middle class are rising. More people can afford to buy homes of themselves due to easy availability of loans and accompanying tax concessions.
- To expand its business in India and abroad the company is weighing various options to raise money through equity offering in India.