1 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.

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.

2. Why do companies go for leasing of assets? Explain.

3. What are the problems faced by financial services industry in India?
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. (2x15=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: (1x15=15)

11. Describe the origin of venture capital in India and various stages of venture capital financing offered by the Indian Venture Capital Companies.
I Semester M.F.A. Examination, January 2015
(Semester Scheme)
FINANCE AND ACCOUNTING
Paper – 1.6: Financial Markets and Services

Time: 3 Hours
Max. Marks: 80

SECTION – A

Answer any ten questions in about 3 – 4 lines each from the following. Each question carries two marks.

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?
SECTION – B

Answer any three questions in about one page. Each question carries five marks. $(3 \times 5 = 15)$

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. $(2 \times 15 = 30)$

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) $(1 \times 15 = 15)$

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.