

**MASTER OF BUSINESS ADMINISTRATION
THIRD SEMESTER
FINANCIAL INSTITUTIONS & MARKET
MBA-303 C**

Duration: 3 Hrs.

Marks: 70

PART : A (OBJECTIVE) = 20
PART : B (DESCRIPTIVE) = 50

[PART-B : Descriptive]

Duration: 2 Hrs. 40 Mins.

Marks: 50

[Answer question no. One (1) & any four (4) from the rest]

1. Discuss in brief about the financial institutions and markets in India. (10)
2. Who is a merchant banker? Explain the functions of merchant banker. (10)
3. "A cut in the Repo Rate, CRR and SLR results in money flow to the economy"-
Comment. (10)
4. Give some essential features of investment in securities. (10)
5. Give a brief note on the different types of deposits offered by a commercial
bank. (10)
6. Elaborate upon (*any two*): (10)
 - a. Repo rate and Reverse repo rate.
 - b. Basic point and Prime Lending Rate.
 - c. CRR and SLR.
 - d. BASAL2 and BASAL3.
7. Give the meaning of credit rating. What are the different types of credit
function? (10)
8. Write a note on (*any two*): (10)
 - a. Book building.
 - b. Red Herring Prospectus.
 - c. Green Shoe Option.
 - d. Debentures and Bonds.
 - e. IPO grading.

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[PART-A : Objective]

Choose the correct answer from the following :

1×20=20

1. Financial services include:
 - a. Fund based services.
 - b. Fee based services.
 - c. Both a & b.
 - d. None of the above.
2. Venture capital deals with:
 - a. High risky projects.
 - b. Securities market.
 - c. Offshore fund.
 - d. All of the above.
3. In case of Book Building, a company raise money through:
 - a. Initial Public Offer.
 - b. Follow up public Offer.
 - c. Both a & b.
 - d. None of the above.
4. _____ allows underwriters to sell investors more shares than originally planned by the issuer.
 - a. Book Building.
 - b. Green Shoe Option.
 - c. Mutual Fund.
 - d. IPO.
5. Customer of a bank is person who:
 - a. Has a bank account.
 - b. Frequently visits the bank.
 - c. Frequently deals with his bank account.
 - d. Both a & c.
6. Unit banking deals with:
 - a. One single office.
 - b. Branches spread all over the country.
 - c. Group banking.
 - d. Branches spread all over the world.
7. Issue management is a part of:
 - a. Initial Public Offer.
 - b. Follow on Public Offer.
 - c. Merchant Banking.
 - d. Portfolio Management.
8. IPO includes:
 - a. Book building
 - b. Fixed price
 - c. Market price
 - d. Both a & b
9. Identification of promising project is a part of:
 - a. Mutual fund.
 - b. Venture capital.
 - c. Depository.
 - d. Credit rating.
10. Non Banking Financial Companies:
 - a. Accept deposits.
 - b. Grants loan.
 - c. Either a or b.
 - d. Both a & b.
11. Which of the following is not an example of financial market?
 - a. Bond market.
 - b. Stock market.
 - c. Foreign exchange market.
 - d. Auction market.
12. Reserve Bank of India primarily is responsible for closely monitoring and controlling the following:
 - a. Control of supply of money to the economy.
 - b. Cost of credit.
 - c. Both a and b.
 - d. Neither a nor b.
13. A cut in the CRR by RBI reflects in:
 - a. Availability of more money with bank to lend and invest.
 - b. Cash crunch with bank, hence lesser money supply to economy.
 - c. Both a and b.
 - d. Neither a nor b.
14. Statutory Liquidity Ratio (SLR) refers to:
 - a. Requirement for a bank to invest in RBI.
 - b. Requirement for bank to invest in specified central/ state government securities.
 - c. Requirement for bank to invest in stocks and options.
 - d. Requirement for banks to invest in foreign currencies.



15. Out of the total deposits to a bank, the bank is left with _____ to invest.
- Difference between total deposits less the sum of CRR and SLR requirements.
 - Difference between total deposits less the CRR requirements.
 - Difference between total deposits less the SLR requirements.
 - The sum total of CRR and SLR requirements.
16. Which of the following statement is false?
- Higher reserve requirements such as SLR makes banks relatively safe.
 - Lesser reserve requirements such as CRR makes banks relatively safe.
 - Both a and b.
 - Neither a nor b.
17. Repo rate refers to:
- The rate at which a bank lends.
 - The rate at which a bank attracts deposits.
 - The rate at which a bank borrows from RBI.
 - The rate at which bank deposits to RBI.
18. Reverse repo rate refers to:
- The rate at which a bank lends.
 - The rate at which a bank attracts deposits.
 - The rate at which a bank borrows from RBI.
 - The rate at which bank deposits to RBI.
19. A cut in the CRR, SLR and Repo rate results in:
- Money supply to economy.
 - Increased purchasing power.
 - Both a and b.
 - Neither a nor b.
20. Interest rate charged by a bank to their largest, most secure and most credit worthy customer on short term loans are referred to as:
- Repo rate.
 - Reverse repo rate.
 - Prime lending rate.
 - Basic point.

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Course :

Semester : Roll No :

Enrollment No : Course code :

Course Title :

Session : 2017-18 Date :

Instructions / Guidelines

- The paper contains twenty (20) / ten (10) questions.
- Students shall tick (✓) the correct answer.
- No marks shall be given for overwrite / erasing.
- Students have to submit the Objective Part (Part-A) to the invigilator just after completion of the allotted time from the starting of examination.

Full Marks	Marks Obtained
20	

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Scrutinizer's Signature

.....
Examiner's Signature

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Invigilator's Signature