USN [ ][ ][ ][ ][ ][ ][ ][ ][ ][ ]   Course Code [2][1][M][B][A][F][M][3][0][1]

Third Semester MBA Degree Examinations, April 2023
FINANCIAL MARKETS & SERVICES

Duration: 3 hrs   **Max. Marks: 100**

Note: 1. **Answer any FOUR** *full questions from Question No. 1 to 7.*
          2.*Question No. 8 is compulsory*
          3. *Missing data, if any, may be suitably assumed*

Q. No		*Question*	*Marks*	*(RBTL:CO:PO)*
1.	**a.**	Define the concept of capital market.	**03**	(1 :2 : 2)
	b.	Explain the factors that affect CIBIL score of an individual.	**07**	(2 :5 : 5)
	c.	Outline the objectives and functions of National Housing Bank.	**10**	(3 :1 : 1)
2.	**a.**	Define 'prospectus'	**03**	(1 :5 : 5)
	b.	Explain the term 'stock exchange' and illustrate its functions.	**07**	(2 :2 : 2)
	c.	Illustrate the types of stock market order with NSE-NEAT system.	**10**	(4 :2 : 2)
3.	**a.**	Explain the term 'credit rating'.	**03**	(2 :5 : 5)
	b.	Distinguish between money market and capital market.	**07**	(2 :2 : 2)
	c.	Discuss types of government securities with the advantages and disadvantages of it.	**10**	(2 :3 : 3)
4.	**a.**	Articulate the term GDR and name 2 global indices for investment.	**03**	(3 :2 : 2)
	b.	Summarize the different types of prospectuses of new issue market.	**07**	(2 :2 : 2)
	c.	Identify the key capital market instrument and explain them.	**10**	(3 :2 : 2)
5.	**a.**	What do you mean by 'insider trading'?	**03**	(1 :5 : 5)
	b.	Summarize commercial bills and its operations in bill market.	**07**	(2 :3 : 3)
	c.	Outline the operations and participants of T-bills in money market.	**10**	(3 :3 : 3)
6.	**a.**	Define venture capital.	**03**	(1 :4 : 4)
	b.	Summarize the various types of factoring service.	**07**	(2 :4 : 4)
	c.	Outline the different types of leasing.	**10**	(3 :4 : 4)
7.	**a.**	Define the term 'Investment Bank'.	**03**	(2 :5 : 5)

Note: (RBTL - Revised Bloom's Taxonomy Level: CO - Course Outcome: PO – Programme Outcome)

b.	Explain venture capital and illustrate methods of venture financing.	**07**	(2 : 4 : 4)
c.	Identify the key credit rating agencies of India and explain their rating pattern.	**10**	(3 : 5 : 5)

8. <div align="center">**<u>Case Study</u>**</div>

Mr. Yafin an investor in stock market normally uses two approaches namely fundamental approach and technical approach in taking investment decisions. He prefers to use fundamental approach or analysis because it involves detailed examinations of data pertaining to the company, industry and economy. It requires considerable skill of the analysts to examine such massive data to get a value for the firm and then compare with the market price to take investment decision. If the value is more than market price investors buy the stock. Mr. Yafin also uses an alternative approach called technical approach or analysis which ignores all the data other than data gathered in the stock market. He believes that there are enough number of investors and analysts in the market who constantly examine the stocks and derive the price. There is no point in doing or repeating such exercise. It is adequate to watch them because whatever superior analytical techniques such investors have, they have to come to the market ultimately to cash their efforts. Technical analysis is thus reading the minds and activities of the major players in the market by observing their behaviour in the market place through price, volume and several other market data. Technical analysis typically involves charting the market data and using a number of oscillators.

a.	Out of two types of analysis made by Mr. Yafin for stock market investment decisions, which one you prefer and why? Justify.	**10**	(4 : 2 : 2)
b.	Assume yourself as Mr. Yafin select a pharmaceutical company of your choice from pharmacy industry listed in any stock market and do the fundamental analysis for last 3 months and comment on its trend.	**10**	(4 : 2 : 2)

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