



## BRAINWARE UNIVERSITY

*Library*  
Brainware University  
398, Ramkrishnapur Road, Barasat  
Kolkata, West Bengal-700125

**Term End Examination 2022**  
**Programme – MBA-2020/MBA-2021**  
**Course Name – Financial Markets and Services**  
**Course Code - FM304**  
**( Semester III )**

**Full Marks : 60**

**Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

### Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) State the bank that has been nationalized and renamed as State Bank of India?  
 a) RBI  
 b) UTI  
 c) Bank of bengal  
 d) Imperial bank of India
- (ii) Identify the lender of the last resort among the following.  
 a) Indigenous banks  
 b) Money lenders  
 c) RBI  
 d) None of the above
- (iii) State the year in which The Bombay Stock Exchange was established.  
 a) 1875  
 b) 1873  
 c) 1874  
 d) 1872
- (iv) Select among the following, which is involved in the book building process.  
 a) Efficient price discovery  
 b) Improving books of accounts  
 c) Price reduction  
 d) Booking a new apartment
- (v) Describe a lot size  
 a) Increment of share price in a price band.  
 b) Numbers of shares taken by the underwriters  
 c) Minimum number of shareholders needed in an IPO.  
 d) Minimum number of shares needed to be purchased by a shareholder
- (vi) Describe private placement  
 a) It is a sale of stocks or bonds in open market.  
 b) It is a buying of shares from the open market.  
 c) It is a sale of stock shares or bonds to pre-selected investors and institutions rather than on the open market.  
 d) Issuing new shares to existing shareholders
- (vii) Choose the one which is not covered in The SEBI Act 1992.  
 a) Insurance  
 b) Fund sources of SEBI, as in grants made available by the Union Government  
 c) Powers and Functions of the Board  
 d) Composition and actions of the SEBI Board

- members
- (viii) Choose the activity for which the Treasury Bills are issued by government.
- a) Lending  
b) Borrowing  
c) Investing  
d) Saving
- (ix) Write the name of the agreement which is the loan against the security of immovable property.
- a) Assignment  
b) Pledge  
c) Transfer  
d) Mortgages
- (x) Select the statement which is related to the pre-seed stage of VC investment.
- a) It is used at the earliest stage of business development.  
b) It is used at the middle stage of business development.  
c) It is used at the end stage of business development.  
d) None of the above
- (xi) Compare the three stages of VC funding(pre-seed, seed and early stage) and put them in ascending order.
- a) Pre-seed, seed, early stage  
b) Seed, pre-seed, early stage  
c) Early stage, pre-seed, seed
- (xii) Choose the one which is related to the word assurance.
- a) Life Insurance  
b) Marine Insurance  
c) Medical Insurance  
d) Travel Insurance
- (xiii) Choose the term that can be associated with the sum assured under keyman insurance policy.
- a) Keyman income  
b) Business profitability  
c) Business history  
d) Own income
- (xiv) Report the name of the company which is a full service credit rating agency exclusively set up for micro, small and medium enterprises.
- a) SMERA  
b) ICRA  
c) ONICRA  
d) CRISIL
- (xv) Infer the false statement among the following about the credit rating process of CRISIL.
- a) Analysis of each credit is carried out by a multi-member rating team.  
b) The analysis is based on information obtained from the issuer, and on an understanding of the business environment in which the issuer operates.  
c) Once the ratings assigned are communicated to issuers, they are published on CRISIL's website  
d) The client doesn't have an option to appeal against the rating decision.

### Group-B

(Short Answer Type Questions)

3 x 5=15

2. Explain the role of mutual funds in financial market. (3)
3. Explain the advantages and limitations of leasing. (3)
4. Express the concept of collateralized mortgage obligation. (3)
5. Explain the concept of forfeiting. (3)
6. Compare book building and fixed price methods of IPO. (3)

OR

Associate price band and revised price band. Are they similar in nature? (3)

### Group-C

(Long Answer Type Questions)

5 x 6=30

- 7. Explain the role of NSDL and CSDL. (5)
- 8. Explain the principles of insurance. (5)
- 9. Distinguish between Collateralized Mortgage Obligation and Collateralized Debt Obligation. (5)
- 10. Explain the need to issue a prospectus in the initial stage of an IPO. (5)
- 11. Write about the concepts of operating and financial lease with example. (5)
- 12. Recall the functions of RBI. (5)

OR

Describe the functions of merchant bankers. (5)

\*\*\*\*\*