

Unique Paper Code : 22417505

Name of the Paper : Financial Markets, Institutions and Financial Services

Name of the Course : B.Com. (Hons.) - CBCS

Semester : V

Duration : 3 hours

Maximum Marks : 75 Marks

**Instructions for Candidates**

Attempt *any four* questions. All questions carry equal marks.

1. The development of an economy is highly dependent upon a well-regulated, vibrant and efficient financial system. In the light of this statement explain the relationship between financial system and economic development. Give reasons in support of your answer.
2. Mr. Sharma bought a short term borrowing financial asset from the RBI. He purchased it as he wanted assured return without taking any risk. The instrument that he bought was a promissory note and highly liquid zero-coupon bond. On the instrument T-91 was written. In the above case which financial asset is indicated? Explain the features of this financial asset. Why is this financial asset called as the zero-coupon bond and what is the minimum amount for which this instrument is available. Explain in brief any five money market instruments.
3. Are commercial banks the right financial institution to fund the capital required for the infrastructure development of India? If they aren't what financial institution would be better suited for the role?
4. Discuss the role of technology in transforming banking sector in India towards better customer experience and robust financial system.
5. Alliance Geo Mart limited is planning to come up with IPO of Rs. 500 crore to expand its E-retailing operations on pan India basis. They are required to comply with certain pre issue and post issue obligations stipulated by SEBI along with underwriting requirements. They need to hire a lead manager to comply with issue management requirements and underwriting? Who can be lead manager for issue management of this company? What are pre issue and post issue obligations and underwriting requirements that have to be complied through that lead manager?
6. Rawat Rice Exporter Company needs to buy large Rice cleaning machinery costing around Rs. 5 crore. The company has two options to get it financed either through hire purchase or lease financing. Which option do you think will be better for said company to finance its machinery' cost? Give your justification explaining concept of Hire purchase and leasing, difference between Hire purchase and leasing and different types of leases.