

MASTER OF BUSINESS ADMINISTRATION
Third Semester
FINANCIAL INSTITUTION AND MARKET
(MBA – 19 C)

Duration: 3Hrs.

Full Marks: 70

Part-A (Objective) =20
Part-B (Descriptive)=50

(PART-B: Descriptive)

Duration: 2 hrs. 40 mins.

Marks: 50

1. Answer *any five* of the following questions in brief:

2×5 =10

- a) What do you mean by CAMELS ratings of banks?
- b) Who is said to be a customer of a bank?
- c) What is the difference between Unit Banking and Group Banking?
- d) What do you mean by book building of shares?
- e) What is a GDR?
- f) What is a contingent liability?
- g) What is mezzanine financing?

2. Answer *any five* of the following questions:

3×5 =15

- a) What is the impact of interest rate on the economy of a country?
- b) What do you mean by IPO Grading?
- c) What are the different tiers of Corporate Debt Restructuring System? Explain briefly.
- d) What do you mean by a Financial Asset?
- e) What are the objectives of the SARFAESI Act 2002?
- f) What is an NBFC? What are different types of services offered by an NBFC?
- g) What are the BASEL II norms for Capital adequacy?

3. Answer *any five* of the following questions elaborately:

5×5 =25

- a) Describe the role of different intermediaries in the issue management process.
- b) What do you mean by Securitization? What are the steps involved in the process of Securitization?
- c) What is Venture Financing? What are the different stages of Venture financing for a company?
- d) How is credit rating the symbolic indicator of a financial instrument? Who promotes a credit rating agency?
- e) What are the elements of Tier I and Tier II Capital?
- f) Describe the prudential norms relating to credit or advance portfolio of banks.
- g) Write short notes on:
 - i. Green Shoe Option
 - ii. Red Herring Prospect

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(The figures in the margin indicate full marks for the questions)

Duration: 20 minutes

Marks – 20

PART A- Objective Type

I. Write the present rates for the following as given by The Reserve Bank of India: 1×5= 5

1. Bank rate
2. Repo rate
3. Reverse Repo rate
4. CRR
5. SLR

II. Give the correct alternative to the following questions: 1×15=15

1. Which of the following is a fund based service?
a. Venture capital b. Issue management c. Merger & acquisition d. All of these
2. Early stage financing includes
a. Mezzanine capital b. Seed capital c. Turnarounds d. Buyouts
3. A credit rating agency can be promoted by
a. Public financial institution b. Scheduled bank c. Foreign bank in India d. All of these
4. Vertical merger occurs in
a. Upstream merger b. Downstream merger
c. Complimentary merger d. Both a & b.

5. Which of the following is not a primary market intermediary?
a. Merchant banker b. Bankers to an issue c. Underwriters d. Financial institutions
6. Who procures the subscription to the issue from the prospective investors?
a. Brokers b. Merchant bankers c. Portfolio managers d. None
7. A public issue means a
a. IPO b. FPO c. Both of these d. None of these
8. The draft offer document is issued how many days prior to registering with the DSE?
a. 10 days b. 15 days c. 20 days d. 30 days
9. Which of the following is a Universal Bank?
a. ICICI b. IDBI c. HSBC d. All of these
10. The draft prospectus is also known as
a. Offer Document b. Red herring Prospectus c. Both of these d. None of these
11. A preferential issue includes
a. Rights issue b. Bonus issue c. QIP d. None of these
12. The minimum rate of CRAR that banks have to maintain is
a. 4 % b. 8 % c. 9 % d. 10 %
13. A doubtful asset is one which has remained NPA for a period of
a. 10 months b. 12 months c. 2 years d. None of these
14. The Indian Majority Act was passed in which year?
a. 1875 b. 1870 c. 1876 d. 1888
15. Who assists the CDR Empowered Group and the CDR standing Forum is assisted by whom
a. DRT b. CDR Cell c. Appellate Tribunal d. None of these
