

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2016-18)
PGDM Trimester IV Examination September 2017

Subject	Financial Markets and Services		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages		Date	28.09.2017

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

- a) What do you mean by financial system? Which are the five key components of a financial system?
- b) Explain the meaning and role of each of these components of a financial system.

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the different ways of raising equity?
- b) What is the difference between Public Issue and Private Placement of equity?
- c) What is QIP? State its three advantages?

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

Explain differences between these terms (also covering pros & cons in each of these):

- a) Primary Markets V/s. Secondary Markets
- b) Direct Finance V/s. Indirect Finance
- c) Primary Security V/s. Collateral Security

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

Explain differences between these terms (also cover the pros & cons in each of these):

- a) Simple Mortgage v/s. Registered Mortgage
- b) First charge v/s Second charge
- c) Corporate Guarantee V/s. Personal Guarantee

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is the difference between Letter of Credit and Stand-by Letter of Credit?

- b) List down the internal sources of raising finance.
- c) What are the advantages of internal sources of raising finance compared to the external sources?

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Identify a practical example in real life, where Letter of Credit is used in business.
- b) Identify a practical example in real life, where Stand-by Letter of Credit is used in business.
- c) Identify a practical example in real life, where Bank Guarantee is used in business.

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What do you mean by “Trade Finance”?
- b) What is the difference between a Term Loan, a Project Loan and Working Capital Loan?
- c) List down the regulators of Banks, Equity Market and Insurance Market. What is their role?