

VPM's
DR VN BRIMS, Thane
Programme: MMS (2013-15)
Third Semester Examination October/November 2014

MMS-III Subject Finance	Financial Markets and Institutions (FMI 03)		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	1	Date	01.11.2014

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

Q1) 20 Marks (Compulsory)

Define Merchant Banker and explain its role (Any five roles in detail).

Attempt Any FOUR from the Remaining SIX Questions

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

- Explain the difference between Money market and Capital Market
- Explain characteristics and functions of stock exchange.
- What is Buy-back of shares? Also explain methods and objectives of Buy back.

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

- Explain various types of capital market instruments.
- What are the advantages and disadvantages of investing through Mutual funds?
- How the NAV is calculated and what is the difference between NAV and stock prices?

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

- What is Forex market and explain Spot, Forward and Swap rates.
- What are the profitability drivers of the commercial banks?
- What are performance measurement techniques for Mutual funds?

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

- Explain Coupon rate and Current yield.
- A bond of face value of Rs.1,000/-, with a coupon rate of 8% p.a. and present value of Rs.700/- has a maturity period of 5 years. Calculate the YTM on the bond.
- A bond with a coupon rate of 8%, par value of Rs.1000/- and maturity period of 5 years is selling at a price of Rs.1,100/-. Arrive at the YTM.

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

- Explain Mutual funds and its structure.
- Differentiate between Forward and Future contracts.
- Explain various risks of banks.

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

- Explain various types of mutual funds.
- Explain process of capital structuring.
- Explain how the RBI controls monetary policy of India.