

Financial Market & Institutions  
1510108 [Finance]

15110 lib.  
France

# FMI 03

Total number of questions: 6

Total number of printed pages: 2

Duration: 3 hours only

Maximum Marks: 60

Roll No.

Notes:

1) Attempt as instructed below:

2) Draw structured diagrams wherever necessary.

3) Make relevant assumptions if necessary and state them.

4) Section - I & Section - II to be solved on separate Answer Books.

SECTION - I (30 Marks)

Q1. "Why invest in the Mutual Fund, when you can invest directly in the other asset classes" Discuss in the context of the concept of Mutual Fund. Explain eligibility criteria for the parties involved in the formation of a Mutual Fund. List various mutual fund schemes along with the performance measures for mutual funds.

(10 marks)

Q2. The **Barings Bank** Case study –

- What are the reasons for the fall of Barings Bank? Stress on the prime reason for the fall. Explain the concept of the case along the same lines.

(10 marks)

Q3. "Banking sector is to grow further with the liberalization taking place from 2009" Discuss in the context of the structure of Banking sector prevailing in India. List various Key performance Indicators for analyzing a Banking company. Discuss the concept of CAR and its impact (whether favorable or unfavorable) on the Indian Banking Sector.

**OR**

Q3. Describe in brief structure of Financial Markets and the role of Money Markets. Explain various types of money market instruments; assess the risk / return profile and current trends in the Money Market Instruments.

(10 marks)

(PTO)

**SECTION II** (30 mks)

- Q4. Explain the derivatives market structure in detail along with the products that exist in the derivatives market. Pay special attention to
- i. OTC contingent claims
  - ii. Exchange traded contingent claims
- (10 marks)**
- Q5. What is a Bond? What are the features of a bond? What are the types of bonds?
- (10 marks)**
- Q6.
- i. What are the demerits of floating exchange rate? **(3 marks)**
  - ii. Explain the following concepts :- **(3 marks)**
    - a. Currency Convertibility,
    - b. Indirect Quote
  - iii. Find the mid rates for the following **(2 marks)**
    - a. 40.0000 / 40.0200
    - b. 45.9850 / 46.9920
  - iv. Write the international currency code (ISO 4217) for the following currencies: **(2 marks)**
    - a. Chinese Yuan
    - b. Swiss Franc
    - c. Pound Sterling
    - d. Euro