

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET B

**SCHOOL OF MANAGEMENT
END TERM EXAMINATION - JAN 2024**

Semester : Semester III - 2022

Course Code : MBA3006

Course Name : Financial Markets and Services

Program : MBA

Date : 1st -JAN-2024

Time : 10:00AM - 1:00 PM

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS

10Q X 3M = 30M

1. Discuss about the Indian Stock Exchange.
(CO1) [Knowledge]
2. ETFs typically hold a basket of assets, which helps to spread risk. What are ETFs?
(CO1) [Knowledge]
3. Underwriting involves determining the risk of a particular security. Describe the role of underwriters
(CO2) [Knowledge]
4. Depth of market (DOM) is a measure of the supply and demand for tradeable assets. Recognize the information's related to market depth of the asset.
(CO2) [Knowledge]
5. Asset classes are broad categories of investments with similar characteristics and risk-return profiles. Explain 'asset allocation'.
(CO3) [Knowledge]
6. Market risk is also known as systematic risk. Explain the concept of 'market risk'.
(CO3) [Knowledge]
7. In stock market few people will ride the market. What is the role of a stockbroker?
(CO3) [Knowledge]
8. Variability in the investment returns is associated with a high degree of risk. Define 'diversifiable risk'.
(CO4) [Knowledge]
9. Credit union is a not-for-profit financial institutions. What is the purpose of a credit union?
(CO4) [Knowledge]
10. Mr. Mohit purchased a house with bank loan of Rs. 3000000 for 10 years. He paid all loan installments and at the end of 10 years he received the original papers of his house from the bank. Is it a lease or hire purchase? Explain your answer.
(CO4) [Knowledge]

PART B

ANSWER ALL THE QUESTION

6Q X 7Q = 42M

11. Tom, a small business owner, is considering expanding his business internationally. He's concerned about the potential impact of foreign exchange (forex) market fluctuations on his company's finances. Provide a detailed response to his inquiries. How can Tom use the forex market to manage currency risk associated with international expansion?
(CO1) [Comprehension]
12. Alib Corporation plans to issue corporate bonds to raise capital for its expansion. To attract investors, Alib seeks credit ratings for its bonds from credit rating agencies. Discuss the factors considered for credit rating.
(CO2) [Comprehension]
13. ABC Enterprises reviews its office equipment needs and decides on leasing laptops, printers, and scanners. Discuss the leasing process and its financial impact.
(CO3) [Comprehension]
14. Discuss Debt Securitization with an example.
(CO3) [Comprehension]
15. Harvor Investments noticed a growing trend of investors seeking socially responsible investment opportunities, particularly those focused on environmental sustainability. The company aimed to capitalize on this trend by introducing an SRI mutual fund that aligns with investors' ethical and environmental values. The challenge for Harvor Investments was to effectively market the new SRI mutual fund, emphasizing its environmental focus, while also ensuring the fund's financial viability and attracting a substantial investor base. In this regard, you are expected to develop a mutual fund to attract investors seeking both financial returns and positive environmental impact.
(CO4) [Comprehension]
16. Merchant banks tailor their services based on client needs and market demands, offering a wide range of financial solutions for various sectors and entities involved in complex financial transactions and activities. Discuss the various services provided by Merchant Banks.
(CO4) [Comprehension]

PART C

ANSWER ALL THE QUESTIONS

2Q X 14M = 28M

17. ABC Tech is a rapidly growing technology company specializing in artificial intelligence software. After several successful funding rounds from venture capitalists and private investors, ABC Tech decides to go public by listing its shares on a major stock exchange. ABC Tech appoints investment banks to underwrite the IPO and assist in the process. Illustrate the process of ABC Tech going public through an IPO and the subsequent dynamics of its shares being traded on the stock market.
(CO3) [Application]
18. Guardian Insurance Co. noticed a growing trend of freelancers and self-employed professionals lacking adequate health insurance coverage. Understanding this underserved market, the company decided to create a specialized health insurance plan tailored to their needs. The challenge faced by Guardian Insurance Co. was to design a health insurance product that addresses the unique requirements of freelancers, including irregular income, flexible coverage, and affordability. The company aimed to penetrate this market segment effectively while ensuring sustainability and profitability.
1. To tackle this challenge, Guardian Insurance Co. appointed you to develop a strategic approach in product development, pricing, and targeted marketing for product's success and market positioning.
 2. The company also expecting a detail on Bancassurance and Reinsurance
- (CO4) [Application]