

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET A

**SCHOOL OF MANAGEMENT
MID TERM EXAMINATION - NOV 2023**

Semester : Semester III - 2022

Course Code : MBA3006

Course Name : Sem III - MBA3006 - Financial Markets and Services

Program : MBA

Date : 3-NOV-2023

Time : 2:00PM - 3:30PM

Max Marks : 50

Weightage : 25%

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

(5 X 2 = 10M)

1. International finance management is the strategic management of financial activities across national borders. List out any two elements of the global financial system.
(CO1) [Knowledge]
2. SEBI is the regulator of the securities market in India. Name any four functions of Primary Market under SEBI.
(CO1) [Knowledge]
3. Regulatory Authorities are government-created institutions that regulate, supervise, and govern with diverse industries like finance, insurance, education, and healthcare. Name any two financial Regulatory Authorities in India.
(CO1) [Knowledge]
4. Commercial paper are one of money market instruments. List the eligibilities to issue commercial paper instrument by a corporation.
(CO2) [Knowledge]
5. The New York Stock Exchange is the largest stock exchange in the world. Enumerate the role of stock exchange in India.
(CO2) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

(3 X 6 = 18M)

6. In India, algo-trading is charming increasingly popular due to the growth of electronic trading platforms and the increasing adoption of technology in the financial sector. How algorithmic trading is transformative?
(CO1) [Comprehension]

7. A well-developed money market is a necessary pre-condition for the effective implementation of monetary policy. Deliberate the features of Treasury Bills and Commercial Papers.
(CO2) [Comprehension]
8. Facebook Inc. went public on May 18, 2012, raising dollar billion 16, dollar billion 18.4 including the greenshoe option. Discuss the various stages of IPO.
(CO2) [Comprehension]

PART C

ANSWER THE FOLLOWING QUESTION

(2 X 11 = 22M)

9. The inclusion of Indian Government bonds in JPMorgan's Emerging Markets Index is a significant move with potential far-reaching consequences. On the positive side, such inclusion can enhance India's global financial reputation, attract foreign investments, and potentially reduce borrowing costs. However, India must approach this decision with a high degree of caution due to the potential complexities and risks involved. The Indian government securities market, while well-established, is sensitive to a range of external factors, from fiscal policies to global economic conditions. Being included in a widely tracked international index could increase this sensitivity, potentially affecting India's fiscal and monetary policies. Foreign investment in government securities may cause the Rupee to appreciate, impacting the competitiveness of Indian exports. Interest rates might be influenced, affecting the cost of borrowing for the government and local investors. Furthermore, the sudden influx of foreign capital poses macroprudential concerns, necessitating rigorous policies and vigilant monitoring to ensure the stability of India's financial system. Balancing international expectations, often set by organizations like the International Monetary Fund, with India's need to retain control over its economic and fiscal policies is a delicate challenge. Robust market regulation and infrastructure are vital to efficiently manage the increased interest from international investors. A cautious, measured approach is essential to maximize the benefits while carefully managing the potential risks associated with this significant decision.
Answer the following question.
1. How will the inclusion of Indian government bonds in the JPMorgan EM debt index impact rupee, bonds?
 2. Why PSU banks are worth considering for long-term investment purposes as a result of India's newfound status in the global bond index?
- (CO1) [Application]
10. The Adani-Hindenburg case that was heard in the apex court today relates to an ongoing investigation involving one of India's leading business conglomerates, the Adani Group, and a little-known company called Hindenburg Research. The case revolves around allegations made by Hindenburg Research against certain Adani Group companies regarding their accounting practices, corporate governance, and financial disclosures.
Answer the following question.
1. What is the role of SEBI in India's financial markets?
 2. What is SEBI's role in handling cases of market irregularities and fraud?

(CO2) [Application]