

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA-SEMESTER-II-EXAMINATION- SUMMER-2024

Subject Code: 1529504

Date: 11/06/2024

Subject Name: Financial Markets and Services

Time: 10:30 AM TO 01:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

- Q.1. Explain the following terms. 14**
- a Treasury Bill
 - b Asset Management Company
 - c Cap Price and Floor Price
 - d Capital Lease
 - e Foreign Exchange Market
 - f Financial Exclusion
 - g Hybrid Fund
- Q.2 (a) Discuss various components of Indian Financial System. 07**
- Q.2 (b) Who is the regulator of capital market in India? Explain its role. 07**
- OR**
- Q.2 (b) Surya Energy is an SME and wants to come out with an IPO. Prior to the issue, the company wants to approach CRISIL for credit rating. Is it mandatory for the company to apply for grading and what will be the advantages to the company for obtaining such grading. 07**
- Q.3 (a) Which are the institutes providing depository services in India? Explain their role. 07**
- Q.3 (b) Give an overview of regulations for NBFCs in India. 07**
- OR**
- Q.3 (a) Discuss the concept of Self-Help Groups and how do they function? 07**
- Q.3 (b) Which factors are considered while providing the credit score? Explain these factors. 07**
- Q.4 (a) What is venture capital investing and discuss the scenario of venture capital investing in India. 07**
- Q.4 (b) Briefly discuss the role of merchant bankers in issue management. 07**
- OR**
- Q.4 (a) How crowd funding can help the individuals and startups in raising the funds? 07**
- Q.4 (b) Explain the cryptocurrency concept and its implications for Indian financial market. 07**
- Q.5** Tarika limited is a textile company located at Surat. The company has to resort to short term as well as long-term fund-raising activity to meet the financing requirement of its business regularly. Recently, the company has come out with the issue of unsecured promissory notes to meet its working capital requirement. CRISIL rated this issue and gave A1+ rating based on the fundamental credit quality of the issue. The issue received good response from the investors. The issuance date of the issue was 3/8/23 and the maturity date is 30/1/24. The yield on this issue was 8.5%. The face value of the issue was 50 crore.
- Based on this information, answer the following questions. You may make relevant assumptions to support your answer.

- (a) Identify the money market instrument used by Tarika Limited in this particular case. Also highlight the features of this instrument. 07
- (b) What will be the advantages of such issue to the issuer as well as to the investor? 07

OR

- (a) Who regulates the issue of the unsecured promissory note specified in this case? Can all the companies come out with such issue of unsecured promissory note? Justify your answer. 07
- (b) Which were the other options available to Tarika limited for meeting its working capital funding requirement? How would you evaluate the choice of this issue of unsecured promissory note over other instruments? 07
