



IV SEMESTER M.COM EXAMINATIONS APRIL 2018		
INDIAN FINANCIAL SYSTEM		
Duration: 2.5 Hours		Max. Marks: 70
SECTION - A		
I)	Answer any EIGHT of the following questions.	(8x2=16)
	1. State the functions of SEBI.	
	2. What is venture capital funds?	
	3. What do you mean by T-Bills?	
	4. What is private placement?	
	5. Give the meaning of credit rating.	
	6. What is book building process?	
	7. What do you mean by credit creation?	
	8. Write short note on underwriting.	
	9. List out any two functions of NABARD	
	10. What is Securitization?	
	11. What is rematerialisation?	
	12. State the advantages of listing of securities.	
SECTION - B		
II)	Answer any THREE of the following questions.	(3x8=24)
	13. Distinguish between primary market and secondary markets.	
	14. What is Factoring? State any four functions of factoring.	
	15. Explain the various stages of venture capital financing.	
	16. Define NBFC? What are the different types/categories of NBFCs registered with RBI?	
	17. Explain the various functions of financial system in India.	
SECTION - C		
III)	Answer any ONE of the following questions.	(1x15=15)
	18. Discuss the working of various credit rating agencies in India.	
	19. Explain the structure of Indian money market and also explain what are the steps have been taken in recent years to make the Indian money market a developed one?	
	20. What are mutual funds? Describe the various schemes offered by it.	
SECTION - D		
IV)	Analyze the case and answer the questions.	(1x15=15)
	21. The National Stock Exchange of India Limited (NSE) is the leading stock exchange of India, located in Mumbai. The NSE was promoted by leading financial institution at the behest of government of India and was incorporated in November 1992 as a tax paying company. In April 1993, it was recognized as a stock exchange under the securities contract (Regulation) Act, 1956. The	

capital market segment of the NSE commenced operation in November 1994, while operation in the derivatives segment in June 2000. It was the first demutualized electronic exchange in the country.

NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system which offered easy trading facility to the investors spread across the length and breadth of the country. NSE has a market capitalization of more than US\$1.65 trillion, making it is the world's 12th-largest stock exchange as of 23 January 2015.

Purpose of NSE

- Establishing a National wide trading facility for all type of securities.
- Ensuring equal access to investor all over the country through an appropriate communication network.
- Providing for a Fair, efficient and transparent securities market using electronic Trading system.
- Enabling shorter Settlement cycles.
- Meeting up with international benchmark and standard

The price information which could earlier be accessed only by a handful of people could now be seen by a client in a remote location with the same ease. The paper-based settlement was replaced by electronic depository- based accounts and settlement of trades was always done on time. One of the most critical changes was that a robust risk management system was set in place, so that settlement guarantees could protect investors against broker defaults.

Rebranding of NSE indices

India Index Services and Products Limited (IISL), an NSE group company, announced the rebranding of all the NSE indices by including 'Nifty' in the name of the indices. NSE's flagship "CNX Nifty" index was rebranded as "Nifty 50" index. The rebranding of NSE's indices (49 in number, at present) got effective from November 9, 2015.

NSE issues new norms on tendering and settlement of shares: Leading stock exchange NSE has issued new guidelines on tendering and settlement of shares to make delisting, buyback and takeover offers easier and transparent.

This will provide a separate acquisition window in web based IPO bidding platform to facilitate placing of sell orders

Under the norms, all trading members of the capital market segment are eligible to place orders in the tender offer facility.

Questions:

1. Discuss the objectives and strength of National Stock Exchange?
2. What are the major factors affecting the NSE performance - Give your valuable insights.