Name: **Enrolment No:**	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2022

Course: Financial Institutions and Markets **Semester: II**
Program: MBA Core Financial Management Specialization **Time: 03 hrs.**
Course Code: FIN 7020 **Max. Marks: 100**

Instructions: Please attempt all questions. This is an Open Book/Notes Exam.

SECTION A
10Qx2M=20Marks

S. No.	Statement of question	**Marks**	**CO**
Q 1			**CO1**
i)	A(n) ____ is a standardized agreement to deliver or receive a specified amount of a specified financial instrument at a specified price and date. a. option contract b. brokerage contract c. financial futures contract d. margin call		
ii)	____ take positions in futures to reduce their exposure to future movements in interest rates or stock prices. a. Hedgers b. Day traders c. Position traders d. None of the above		
iii)	Futures exchanges take buy or sell positions on futures contracts. a. True b. False		
iv)	Financial futures contracts on Indian securities are ____ by foreign financial institutions. a. not allowed to be traded b. are rarely desired c. are commonly traded d. A and B		
v)	At any given point in time, the price at which banks will buy a currency is ____ the price at which they sell it. a. higher than b. lower than c. the same as d. none of the above		
vi)	Which of the following is most likely to provide currency forward contracts to their customers? a. commercial banks		

	b. international mutual funds c. brokerage firms d. insurance companies		
vii)	A system whereby exchange rates are market determined without boundaries but subject to government intervention is called a. a dirty float. b. a free float. c. the gold standard. d. the Bretton Woods era.		
viii)	A country that pegs its currency is still able to maintain complete control over its local interest rates. a. True b. False		
ix)	When a government influences factors, such as inflation, interest rates, or income, in order to affect currency's value, this is an example of a. direct intervention. b. indirect intervention. c. a freely floating system. d. a pegged system.		
x)	A ____ home currency can ____ domestic inflation. a. strong; increase b. weak; decrease c. strong; decrease d. A and B		
SECTION B **4Qx5M= 20 Marks**			
Q 2.	What are the different types of securities that mutual funds can invest in India? Are they allowed to invest into cryptocurrencies? If not, why not?		**CO2**
Q 3.	Discuss the importance of Non-Performing Assets in the Indian Banking sector. Categorize the different types of NPAs.		**CO3**
Q 4.	The government recently announced the mergers of a number of public sector banks. What were the reasons for the mergers? Do you expect them to be successful?		**CO4**
Q 5.	Explain how the uniform capital requirements established by the Basel Accord can discourage banks from taking excessive risk?		**CO3**
SECTION-C **3Qx10M=30 Marks**			
Q 6.	Discuss the different types of derivatives products that we have studied in this course. Explain how derivatives can be used for risk management and hedging purposes.		**CO 4**
Q 7.	Explain the reasons for the liberalization of the Insurance sector in India in 1999. What are the main functions performed by the insurance industry regulator, IRDA?		**CO3**
Q 8.	Evaluate the benefits from the use of Blockchain technology. Explain the different types of barriers to the adoption of Blockchain technology in India.		**CO2**

SECTION-D 2Qx15M= 30 Marks			
Q 9.	What are the benefits and risks associated with the large banking groups in India (such as ICICI Group, HDFC Group, SBI Group) that provide banking, capital market, and insurance services under one umbrella? Do such groups increase the systemic risk in the Indian economy? Do they help the Indian banking system compete more effectively globally?		**CO4**
Q 10.	Elaborate on the regulatory mechanism for Mutual Fund Operations in India.		**CO3**