



Name:

Enrolment No:

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2022

Course: Financial Institutions and Markets

Program: B.com BMI/Taxation

Course Code: FINC 3024

Semester: 6th

Time : 03 hrs.

Max. Marks: 100

Instructions:

SECTION A
10Qx2M=20Marks

S. No.		Marks	CO
Q 1	_____ is also called zero coupon bond. a) Trade bills b) Call Money c) Treasury bills d) Commercial papers	2	CO1
Q 2	An efficient market is defined as one in which: a) all participants have the same opportunity to make the same returns. b) all participants have the same legal rights and transactions costs. c) securities' prices quickly and fully reflect all available information. d) securities' prices are completely in line with the intrinsic value	2	CO1
Q 3	Which of the following is the definition of a budget deficit? a) Excess of the total expenditure over the total receipts minus interest payments and borrowings b) Excess of the total expenditure over the total receipts minus borrowings c) Excess of the revenue expenditure over the revenue receipts d) Excess of the total expenditure over the total receipts	2	CO1
Q 4	Where are the Foreign exchange reserves held in India? a) Finance Ministry b) Central Treasury c) Reserve Bank of India d) All the nationalized banks	2	CO1

Q 5	The Purpose of IMF is : a) To promote international monetary cooperation b) To facilitate the expansion and balanced growth of international trade c) To promote exchange stability d) all of the above	2	CO1
Q 6	In primary markets, first time issued shares to be publicly traded in stock markets is considered as: a) Traded offering b) Public markets c) Issuance offering d) Initial public offering	2	CO1
Q 7	SEBI is a regulator of a) Capital market b) Money market c) Commodity market d) Overseas market	2	CO1
Q 8	Banking sector comes under which of the following sector: a) Marketing sector b) Industrial sector c) Service sector	2	CO1
Q 9	Which of the following is NOT a credit rating agency: a) CRISIL b) ICRA c) NIKKEI d) CARE	2	CO1
Q 10	Which position does INDIA hold in Foreign exchange reserve? a) 7 th b) 2 nd c) 4 th d) 3 rd	2	CO1
SECTION B 4Qx5M= 20 Marks			
Q 11	Explain the conditions for financial market. Compare the beliefs of traders and investors in terms of market efficiency.	5	CO4
Q 12	When foreign exchange rate in a country is on the rise what impact is it likely to have on imports and how?	5	CO4
Q 13	What is securitization and its process?	5	CO4
Q 14	Explain the expansion and contraction policy of the RBI as a means of regulating money supply in the economy.	5	CO4
SECTION-C 3Qx10M=30 Marks			
Q 15	What do you understand by the term financial system? What are the	10	CO3

	functions of the Indian Financial System.		
Q 16	Discuss the reforms done in the Indian Banking System which has changed the way people see modern day banking.	10	CO3
Q 17	Explain whether the cryptocurrency and blockchain are same. Beyond a method for payment, what are other functions of cryptocurrencies.	10	CO3
SECTION-D			
2Qx15M= 30 Marks			
Q 18	<p>Suppose that the treasurer of Amazon India has an extra cash reserve of \$200,000,000 to invest for four months. The four-month interest rate is 4 percent per annum in the United States and 6 percent per annum in Germany. Currently, the spot exchange rate is €1.01 per dollar and the fourth-month forward exchange rate is €0.89 per dollar. The treasurer of Amazon does not wish to bear any exchange risk. Where should he or she invest to maximize the return?</p> <p style="text-align: center;">Or</p> <p>What are the recent important market reforms undertaken by SEBI.</p>	15	CO2
Q19	<p>IMF call itself an organization of 185 countries working to foster global economy. What are the key policy framework & ideology behind achieving the following:</p> <ol style="list-style-type: none"> a) Sustainable economic growth b) Secure financial stability c) To facilitate International Trade Foster global monetary cooperation 	15	CO2