



Institute of Management
JK Lakshmipat University
Jaipur

END TERM EXAMINATION



BBA Sem- 6
MM: 50 Marks

Course: Indian Financial System
Time: 3 Hours
Subject code: BBA 062

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

Q1. What is meant by corporatization and demutualization of stock exchanges and what are the benefits expected from this exercise? What has been the Indian experience in this regard?

(10 marks)

Q2. What are development financial institutions and how are they different from commercial banks? What has been the impact of economic reforms on the role and functioning of development financial institutions?

(10 marks)

Q3. (a) The stock market index is often claimed to be a barometer of economy's health. How far is this claim justified?

(05 marks)

(b) What are depository receipts? What is their role in resource mobilization from international markets?

(05 marks)

Q4. (a) What is meant by rolling settlement? How is it different from accounting period settlement?

(05 marks)

(b) What are mutual funds? What are the advantages and disadvantages of investing in mutual funds?

(05 marks)

Q5. Write short notes on

(a) Algorithmic trading

(05 marks)

(b) Green-shoe option

(05 marks)

P.T.O.

Section B

Q6. Read the news report given below and answer the following questions:

- (a) What is the Indian Financial Code (IFC)? What is its relevance for financial sector reforms?
(05 marks)
- (b) Briefly describe the most significant changes proposed by the Indian Financial Code (IFC).
(15 marks)

Financial sector reform on course

Consumer focus is the critical part of the move to overhaul financial sector regulation. The Finance Minister did indicate in his Budget speech that efforts in this direction are on track. Even as the implementation of the recommendations of the Justice Srikrishna-chaired FSLRC is being studied by independent task forces, Mr. Jaitley is confident of placing the Indian Financial Code before Parliament sooner rather than later. But hurdles, especially of the legislative kind, are aplenty. Removing them will put the government's resolve to the test to get assorted pressure elements out of its way. It may need some administrative tweaking as well. Putting in place the IFC is a gargantuan task, and could trigger a transformation in the financial sector.

(The Hindu, March 5, 2015)