

JK Lakshmipat University Jaipur
INSTITUTE OF MANAGEMENT
End Term Examination, April 2024
BBA (Entrepreneurship), Semester VI, 2023-24

Roll No.....

FA1105: INDIAN FINANCIAL SYSTEM

Time: 2 hours

Max. Marks: 30

Instructions to students:

1. Do not write anything other than your roll number on question paper.
2. Mention all the assumptions for your answers clearly.

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|--------|---|--------------|
| Q. 1.1 | Define the various types of primary market investors and illustrate each category with real-world examples. | 4.0
(LO1) |
| Q. 1.2 | Differentiate between Equity shares, Equity shares with differential rights and Preference shares | 4.0
(LO5) |

Reflecting on the statement presented, address the following prompts: (LO3,5)

“Stock market indices are frequently viewed as an indicator of a nation's economic health”

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|--------|---|-----|
| Q. 2.1 | What are the major stock market indices? | 2.0 |
| Q. 2.2 | With the help of current trend of various stock market indices, comment upon the sectorial as well as overall economic health of India. | 4.0 |
| Q. 2.3 | Discuss the different methods employed in the calculation of stock market indices. | 4.0 |
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| Q. 3.3 | With the help of various intermediaries in secondary market, explain the trading, clearing and settlement system in India. | 6.0
(LO3,5) |
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Read the case and answer the following questions.

Future Industries is a large and creditworthy company. It plans to raise capital to buy new machinery and expand its production. Among the various options available for raising funds, the company prefers either to issue equity or a money market financial instrument. The instrument here is low-risk, unsecured, and highly liquid. (LO2,3,5)

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| Q. 4.1 | Which financial instrument is indicated in the above case? | 1.0 |
| Q. 4.2 | Which type of instrument is this? | 1.0 |
| Q. 4.3 | Which one of the two methods listed should the company choose? Justify your answer with advantages and limitations of the suggested method. | 4.0 |