



**MB 116 A (N)**

**Third Semester M.B.A. Examination, September 2016  
(New Scheme) Elective : Finance  
Course – 16A : FINANCIAL MARKETS AND INSTITUTIONS**

Time : 3 Hours

Max. Marks : 80

**SECTION – A**

1. Answer **any five** sub-questions. **Each** sub-question carries **3** marks. **(5×3=15)**
- Define money market.
  - What is credit gap analysis ?
  - What do you mean by NPAs ?
  - What is disinvestment ?
  - Define VISA card.
  - What do you mean by over-the-counter ?
  - Define FPI.

**SECTION – B**

- Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**
- What are the modern functions of a commercial bank ?
  - What is the scope of merchant banking in India ?
  - State the various steps in new issue market.
  - Explain the provisioning norms for NPAs.
  - What are the steps involved in marketing of new issue ?
  - Name a few global players in the credit card markets.

P.T.O.



## SECTION – C

Answer **any three** questions. **Each** question carries **10** marks.

**(3×10=30)**

8. State and explain the various types of new credit cards.
9. Describe the various schemes offered by mutual funds.
10. Explain the working of various credit rating agencies in India.
11. Distinguish between money market and capital market.
12. Explain the components of Indian financial system.

## SECTION – D

13. Case Study (**Compulsory**) :

**(1×15=15)**

New Pension Scheme (NPS) in India

The NPS, which was introduced by the Central Government in January 2004 for its new entrants and subsequently extended to the private sector in May 2009, has accumulated a corpus of ₹ 33,000 crore contributed by 50 lakhs subscribers. National Pension System (NPS) regulated by Pension Fund Regulatory and Development Authority (PFRDA) earned double digit returns of as much as 14.19 percent during 2012-13. The pension scheme for other than government employee with investment focus on corporate debt generated return of 14.19 percent while investment in government debt earned 13.52 percent. Pension scheme for Central Government earned a return of 2.39 percent while the scheme for State Government generated 13 percent. It is not only the cheapest retirement product but also as the highest returns generating scheme.

Last year PFRDA had issued revised guidelines for registration of Pension Fund Managers to manage NPS for Private Sector, under which eight Pension Fund Managers have been registered so far. The Fund Managers are SBI Pension Funds Pvt. Ltd., UTI Retirement Solutions Ltd. LIC Pension Fund Ltd. Kotak Mahindra Pension Fund Ltd., Reliance Capital Pension Fund Ltd., ICICI Prudential Pension Funds Management Ltd., HDFC Pension Management Co. Ltd. and DSP Black Rock Pension Fund Managers Pvt. Ltd. Pension Fund Managers are now allowed to prescribe their own fee subject to ceiling of 0.25 percent to enable an economically viable model for their operations. PFRDA also recently revised its investment guidelines, with a view to improve performance of Pension Fund managers by direct investment in equity and corporate debt and not through mutual funds etc.

**Question :**

Trace the growth prospects and analyse the features of New Pension Scheme.

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