

MBA 4th Semester Examination, 2025

MBA

(Financial Markets and Services)

PAPER – MBA-406A

Full Marks : 100

Time : 3 hours

Answer all questions

The figures in the right hand margin indicate marks

Candidates are required to give their answers in their own words as far as practicable

GROUP – A

Answer any eight questions from the following :

5 × 8

- 1. Discuss the importance of a well-functioning financial market for the stability of the overall financial system.**

(Turn Over)

2. How do primary and secondary markets differ in terms of purpose and operations ?
3. What do you mean by Participative Preference Share ? How is it different from Non-participative Preference Share ? 2 + 3
4. Discuss the regulatory functions of SEBI in the Indian financial market.
5. Explain the concept of Net Assets Value (NAV). How is it different from Public Offering Price (POP) ? 2 + 3
6. What is the role of an Underwriter in a public issue ? Discuss how underwriting helps in ensuring the success of a public offering. 2 + 3
7. What are the main objectives behind implementing the Green-shoe Option in a public issue ? How does it help in stabilizing post-IPO prices ? 3 + 2

8. Differentiate between call and put options with examples.
9. How does lease financing contribute to the growth of businesses and industries, especially for companies with limited access to traditional credit facilities ?
10. What do you mean by Disclosed Factoring ? How does it differ from the Undisclosed Factoring ? 2 + 3
11. Write a short note on 'Dematerialisation of Security'.
12. Discuss the features of operating lease.

GROUP – B

Answer any four questions from the following :

10 × 4

13. (i) Evaluate the advantages of investing in mutual funds compared to direct investments in equity or debt instruments.

(ii) What is Fund-of-Funds (FoF) in mutual funds? Discuss its advantages and potential limitations.

5 + (2 + 3)

14. Briefly explain the Book Building Process of issuing IPO. Evaluate the advantages and challenges associated with the book building process from the perspective of issuers and investors.

4 + 6

15. Explain the role of stock exchanges in the trading of securities. How do indices like Sensex and Nifty represent market performance?

5 + 5

16. Briefly discuss the benefits of Factoring services. Distinguish between Factoring services and Forfaiting services.

5 + 5

17. (i) What are the key stages of venture capital financing? How do the funding objectives, risk profiles and investor expectations change across these stages?
- (ii) Briefly discuss the objectives of investment nurturing. 5 + 5
18. (i) Briefly discuss the role of credit rating in the industrial development of a country.
- (ii) What are the key parameters and frameworks used by credit rating agencies in India to evaluate the creditworthiness? 4 + 6

[Internal Assessment — 20 Marks]

