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Register Number:

DATE:

**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**BBA/BBASF – V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2023**

**(Examination conducted in November / December 2023)**

**BADEF5423: FINANCIAL SERVICES**

**(For current batch students only)**

Time: 2 hrs. Max Marks: 60

**This paper contains \_\_\_\_\_ printed pages and four parts.**

**Section A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. Enlist any two Money Market instruments.
2. Give the meaning of Leasing?
3. Define Mutual Fund.
4. Mention any two credit rating agencies.
5. Highlight the benefits of Crypto Currency.
6. What is GDR?

**Section B**

**II.** Answer ***any four*** of the following (**4x5 = 20 Marks)**

1. Differentiate between primary and secondary market.
2. Write an analytical note on securitization of debt and highlight its features.
3. Analyse the reasons why Index funds are gaining popularity among investors.
4. Describe the process of credit rating for Individuals.
5. Evaluate the role of Foreign Institutional Investors (FIIs), in the Indian financial markets.

**Section C**

**III.** Answer ***any two*** of the following (**2x10 = 20 Marks)**

1. Explain the various types of mutual fund schemes available in the market.
2. Discuss the regulatory oversight of credit rating agencies in India and globally.
3. Briefly discuss how Foreign Direct Investment has led to economic development with reference to India.

**Section D**

**III. Answer the following (1x10=10 Marks)**

1. **Case Study: The Impact of Digital Transformation on Financial Markets**

**Introduction:**

Financial markets have witnessed significant changes over the past decade due to the rapid advancement of digital technology. This study explores the transformation of financial markets and its implications for various stakeholders. It presents a scenario involving a fictional financial institution, Global Finance Inc. (GFI), and its journey through the digital revolution.

Global Finance Inc. is a well-established financial institution offering a wide range of financial services, including traditional banking, asset management, and investment banking. For years, GFI has relied on conventional methods for client interactions, trading, and financial analysis.

**Part 1: The Digital Transformation**

1. Digital Adoption: GFI decides to embark on a digital transformation journey to stay competitive and cater to the changing needs of its clients.

2. Technological Investment: GFI allocates a significant budget for technological upgrades, including the adoption of artificial intelligence (AI), blockchain, and cloud computing.

3. Customer Experience: GFI introduces a mobile banking app and online trading platform for its clients.

**Part 2: Impact on Financial Markets**

1. Market Access: With digital platforms in place, GFI can now provide its clients with faster access to global financial markets.
2. Algorithmic Trading: GFI employs algorithmic trading strategies powered by AI. trading, and how does it affect market liquidity and volatility?
3. Blockchain Integration: GFI explores the use of blockchain technology for settlement and clearing processes.

 **Part 3: Challenges and Regulatory Compliance**

1. Regulatory Compliance: As GFI ventures into digital finance, it faces challenges related to regulatory compliance.
2. Cybersecurity: With increased digital presence, GFI faces cybersecurity threats.

**Part 4: Prospects**

1.Digital Products: GFI launches digital investment products, such as robo-advisors and tokenized assets.

2. Competitive Landscape: GFI faces competition from fintech startups and global tech giants entering the financial services sector.

3. Client Education recognizes the need to educate its clients about digital financial products and risks.

**Questions:**

1. How has the adoption of digital technology impacted GFI's business model and client interactions? (5 Marks)

2. What are the key advantages and risks associated with GFI's technological investments? (5 Marks)