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

Registration Number:

Date & Session

**B.A. ECONOMICS - VI SEMESTER**

**SEMESTER EXAMINATION: APRIL 2024**

(Examination conducted in May/June 2024)

**ECA 6223– FINANCIAL INSTITUTIONS AND MARKETS**

**(For current batch students only)**

**Time: 2 Hours Max Marks: 60**

**This paper contains ONE printed page and THREE parts**

**PART A**

**I Answer any TEN of the following: 3X10=30**

1. Write any three financial services.
2. Write the difference between present value and net present value.
3. What are buy-back shares?
4. Explain the meaning of commercial papers and treasury bills.
5. Differentiate between shares and debentures.
6. Distinguish between factoring and forfeiting.
7. Give the meaning of a depository
8. Differentiate between the call option and the put option.
9. What is call money market?
10. What is the dematerialisation of shares?
11. Define sweat equity.
12. Define an acceptance market.

**PART B**

**II Answer any Three of the following: 5X3=15**

1. Differentiate between the primary and secondary markets.
2. India has witnessed significant economic growth and transformation over the past few decades, with foreign banks playing a role in this process. The presence of foreign banks brings not only financial resources but also expertise. However, the extent to which foreign banks contribute to economic development varies depending on various factors. While their presence brings numerous benefits, it also poses challenges that require careful management and regulation. By fostering an enabling environment for foreign bank participation, India can harness their potential to accelerate economic growth, enhance financial stability, and promote inclusive development in the years to come.
3. From the above context, Discuss the importance of foreign banks in driving economic development in India
4. What are derivative securities? Explain the types of derivative security.
5. Explain any five types of debentures.
6. Zeta Technologies Inc., founded in 2015, specializes in developing advanced cybersecurity solutions. By 2022, the company had grown significantly, with over 500 employees and a strong customer base. Despite its success, Zeta Technologies required additional capital to fund its research and development projects and support its expansion plans. Through its strategic use of ownership securities, Zeta Technologies Inc. successfully navigated the capital markets to support its growth and expansion initiatives.
7. Imagine you’re the financial advisor of Zeta Technologies Inc., Explain the various ownership securities available in the capital market.

**PART C**

**III Answer any one of the following: 15X1=15**

1. Mr. Raj and Mr. Kiran are new to the investing platform. Assuming you are their financial advisor, they have considered investing in mutual funds. They are assuming that you’re their fund manager.
2. Explain the various advantages and disadvantages of the mutual fund.
3. Various options available to invest in mutual funds.
4. Answer the following the questions
   1. Explain the various types of instruments in the money market.
   2. Discuss the functions of the stock exchange.