

**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR  
(AUTONOMOUS)  
MBA II Year I Semester Regular & Supplementary Examinations December-2023  
FINANCIAL MARKETS AND SERVICES**

Time: 3 hours

Max. Marks: 60

**SECTION – A**

(Answer all Five Units 5 x 10 = 50 Marks)

**UNIT-I**

- 1 Write about the role of RBI in the economic development of the country. **CO1 L6 10M**  
OR  
2 What are the key components of the financial system of India? **CO1 L1 10M**

**UNIT-II**

- 3 Outline the importance of non- banking financial institutions. **CO2 L2 10M**  
OR  
4 State the role of IRDA in insurance sector. **CO1 L1 10M**

**UNIT-III**

- 5 Explain the role and functions of SEBI in detail. **CO2 L2 10M**  
OR  
6 Differentiate primary market and secondary markets. **CO4 L4 10M**

**UNIT-IV**

- 7 a Identify differences between leasing and hire purchase services. **CO1 L2 5M**  
b Is factoring a fee based service- Analyze. **CO1 L4 5M**  
OR

- 8 How new ideas can be financed by venture capitalist- Discuss. **CO2 L2 10M**

**UNIT-V**

- 9 a Observe the challenges faced by investment bankers during financial crisis? **CO1 L2 5M**  
b Recall the differences between fund and fee-based services. **CO1 L1 5M**  
OR

- 10 a How the companies will be rated by credit rating agencies? **CO2 L2 5M**  
b Do companies require under writing while going for the issue of shares. **CO5 L5 5M**

**SECTION – B**

(Compulsory Question)

- 11 **1 x 10 = 10 Marks**

The Banking system acts as a backbone for any economy. Banks are the Financial Institutions that provide banking and other financial services to their customers, the journey of banking in India has pass through various phases from 18th century to 2020, with the passage of time especially after 1990s Banks realize in India that if they want to survive, they have to focus on customer service as well as customer relationship management. Gone are those days when customer use to walk-in the branches but slowly after 2010 with the advent of technology this walk-in reduced and the new word which came in light was "customer convenience". At the same time RBI realises that if they want to increase the flow of funds in economy, financial inclusion plays a very vital role and for this reason in 2013 RBI constituted a committee headed by Dr. Nachiket Mor to study about the comprehensive financial services for small businesses and low-income households and result is known to every one of us that Payment Banks and Small Finance banks were originated. But irony of situation is that out of 11 Payment Banks only 4 are operational as their survival is still a question mark in our country. The effective banking system is necessary for ensuring economic growth of country in long term.

- a) "Whether Payment Banks are threat to commercial banks and why their survival is still a question mark."  
b) "Financial Literacy is must for financial inclusion". Discuss, keeping in mind the role of banks

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