

MBA III Semester Supplementary Examinations May 2019
FINANCIAL INSTITUTIONS & SERVICES
(For students admitted in 2017 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

(Answer the following: 05 X 10 = 50 Marks)

- 1 List out some regulatory and promotional institutions for financial system.
OR
- 2 Explain the role and significance of RBI.
- 3 Discuss the problems and prospects of NBFIs.
OR
- 4 What do you mean by mutual funds? Explain the role of AMFI.
- 5 What are the primary and secondary markets? Explain the functions of money market.
OR
- 6 Discuss in detail the role played by the government securities.
- 7 Explain the features and process of venture capital funding.
OR
- 8 Explain the regulatory mechanism for leasing system in India.
- 9 Briefly discuss the various rating agencies functioning in the Indian capital market.
OR
- 10 Explain the challenges faces by investment banker.

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

11 **Case Study:**

The problem before the insurance regulatory authority (IRA), in some ways is unique. Unlike the SEBI and even the telecom regulatory authority, which inherited up and running businesses, the IRA is presiding over an unborn industry. IRA has not only to regulate the insurance industry but also, at least in the initial phases act as midwife. It is therefore welcome that IRA regulatory will work towards creating an environment that generates confidence among potential policyholder. And for this, what IRA is ensuring that the insurance companies have enough money to pay for any redemption or withdrawal. They should be perceived as safe as bank.

Already, several Indian companies have planes to enter into the insurance sector and a dozen companies have tied-up with foreign partners. Further, as foreign players enter the market, one of the officials points out that equally tie-up would be better than technical collaborations. Further the entry of these foreign players will also lead to greater qualities in the products offered. This will also call for some-re-orientation of strategies for the existing player-the LIC and GIC.

Questions:

- (a) The insurance regulation will work towards creating an environment that generator confidence among potential policyholders. Why are these needs for creating such an environment? What measures has the IRDA takes in this regard.
- (b) What strategies do you recommend to a new private sector insures?
