

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions.

All questions carry equal marks.

9. Explain the various fund based and non fund based activities of Financial markets in India.
10. Discuss the role of a merchant banker.
11. Elucidate the differences between factoring and bills discounting.
12. Describe the different types of mutual funds.
13. Explain the different stages involved in venture capital financing.
14. Enumerate the powers and functions of IRDA.
15. Analyse the working of National Housing Bank.
16. Write short notes on :
 - (a) Indian Depository Receipt (IDR)
 - (b) Underwriting
 - (c) Share Transfer Agents
 - (d) Seed Capital
 - (e) UTI.

PART C — (1 × 20 = 20 marks)

Case Study Compulsory Question.

17. The SEBI and RBI have been working independently towards rationalising the existing investment regime to make it more investor-friendly. This shift in attitude is evident with the introduction by SEBI of Qualified Foreign Investors ("QFIs") as a new class of investors, the promulgation of the SEBI (Alternative Investment Fund) Regulations, 2012 and permission granted by RBI to Foreign Venture Capital Investors (FVCIs) to participate in secondary transactions. In addition, RBI has allowed FVCIs to be active participants in stock exchanges which seems to encroach on the monopoly of Foreign Institutional Investors (FIIs) regulated by SEBI. FVCIs were permitted invest in venture capital funds and Indian venture capital undertakings, which are defined to mean companies not listed on a recognised stock exchange and to invest up to a third of their investible funds in preferential allotment by listed companies. RBI's circular dated 19 March 2012 extended this, allowing FVCIs to invest in eligible securities by way of private arrangement, purchase from a third party or by investing in securities on a recognised stock exchange. Although the RBI Circular issued in this respect attempts to liberalise investments made by FVCIs in India, it is subject to provisions of SEBI Regulations, which currently don't allow FVCIs to invest in the manner permitted by RBI's Circular.