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MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION : DECEMBER - 2023
SEMESTER - IV

Sub: Management of Financial Institutions (MFM407)

Date: 29/12/2023

Total marks: 60

Time: 10.00am to 12.30pm

SECTION – I

Q. 1. Fill in the blanks. (5)

1. Which of the following is a function of the Securities and Exchange Board of India?
a) Conduct audits and inquiries of stock exchanges
b) Supervise the process of taking over a company.
c) Control the working of merchant brokers and stockbrokers
d) All of the given
2. The money market where debt and stocks are traded and maturity period is more than a year is known a
a) Capital Market
b) Secondary Market
c) Money Market
d) None of the given
3. Stock exchange is known as for securities.
a) Primary Market
b) Secondary Market
c) Capital Market
d) None of the given
4. Nifty is
a) China Stock Exchange Index
b) Russian Stock Exchange Index
c) National Stock Exchange Index
d) All of the give
5. Which of the following are the instruments of money market?
a) Call money
b) Certificate of deposits
c) Trade bills
d) All of the given

Q. 2. Answer the following. (Any Two) (20)

1. Explain the role of financial institutions in economic development
2. Identify the various types of risks relevant to financial services and discuss the different strategies that are available to manage these risks.
3. Write in detail about Insurance Organisations in India
4. Explain the emergence of private sector bank after liberalization

Q. 3. Write notes on. (Any Two) (10)

1. Capital Market
2. Money Market
3. Securities and Exchange Board of India

SECTION – II

Q. 4. Case Study

(15)

Since innovation in banking is supposedly a process, banks should concentrate on the results of the entire innovation process. It is appropriate for banks to be knowledgeable about how to innovate and gain profit from doing so, ideas to potential and current clients. Businesses in the service sector must concentrate on identifying opportunities for new product development and client offering. The five dimensions of financial innovations in the service sector are Product, Process, Market, Technology, and Organisation. The banking industry should concentrate on areas that can uncover potential for innovation. Innovations in banking should be able to raise both consumer satisfaction and bank performance. Some key elements that will strengthen the innovation process should be taken into consideration because innovation in banking is a continuous activity that is centered on the needs of the consumers. The fundamental one is to be aware of what clients want and need. The needs of the clients should be the foundation for any new and better products that the banks offer. At the same time, innovation needs to be distinct and founded on a plan that will give banks a competitive edge. In the innovation process, radical and incremental aspects should also be taken into account. Incremental factors allow the bank to provide services it already offers, while radical elements help the bank to do something different from what clients are used to.

Questions:

- a) What is the need of financial innovation in commercial banks?
- a) Explain important factors to be considered in the process of innovation.

Q. 5. Answer the following:

(10)

- a) List out the main characteristics of venture capital. Describe the regulatory framework governing the venture capital and industry in India.

OR

- b) Explain the relationship between Economic Development and Financial System.
