

**MASTER OF BUSINESS ADMINISTRATION
(FINANCIAL MARKETS)
(MBAFM)**

Term-End Examination

June, 2013

**MCT-081 : MARKET INSTRUMENTS AND
PROCESSES - EXISTING, NEW AND EMERGING**

Time : 3 hours

Maximum Marks : 100

Note : Answer any five questions. All questions carry equal marks.

1. Explain the meaning of the term Structured Products. Highlight the drawbacks and advantages. If the market scenario seems range bound (i.e. flat), which type of structured product would you recommend, explain in detail. 20
2. What are ETFs and which type of investors must consider ETFs and an investment opportunity ? Are there any drawbacks in investing via ETFs ? How do leveraged ETFs work and why are they important ? 20

3. Comment on the interest rate scenario in India. What measures has the Government and RBI taken over the last few years to keep interest rates in check ? What is the impact of the same on the growth of the economy ? Have the steps undertaken helped the economy and its perception ? 20
4. What are the benefits of a Demat account ? How have they helped in reducing scams in India ? Also explain the process of dematerialization. 20
5. If Mr. Navneet Shah is no more and is survived by his wife, Mrs. Kamla Shah, and a son, Rohan Shah - what would be the process of transmission for his Demat Account. Mrs. Shah is the second holder of the account and Rohan is the nominee. Who will be the beneficiary and what is the process ? 20
6. Explain in detail the process of hypothecation of shares in a demat account. Also what are the multiple points to be considered before making such loans against equity ? 20
7. Explain in detail the process of issuance of Treasury Bills. Why are treasury bill important as a tool to the RBI/money markets ? Who are the various participants in the Treasury Bill auctions ? 20
8. Explain the various types of ETFs. What are the benefits and disadvantages of each type ? 20