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| **Semester:**  **Maximum Marks: 50 Examination: End Exam Date: Duration:** | | |
| **Programme code:P18**  **Programme:** | **Class:** | **Semester/Trimester:II** |
| **College:**  **K. J. Somaiya Institute of Management** | **Name of the department/Section/Center:** | |
| **Course Code:** | **Name of the Course: Financial Institution and Markets** | |
| **Instructions: Answer any 5 (5\*10=50M) questions out of 7** | | |

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| **Question No.1** | Explain the importance of Money markets in Indian Financial System. Also explain what kind of instruments corporates can use in this market. | **10M** |
| **Question No.2** | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | Information regarding two mutual funds and a market index are given below | | | | | | | |  |  |  |  |  |  |  | | **Fund** | Return (%) | S.D. % | Beta |  |  |  | | Gold | 8% | 15% | 0.73 |  |  |  | | Platinum | 15% | 34% | 1.33 |  |  |  | | Market Index | 10% | 24% | 1 |  |  |  | |  |  |  |  |  |  |  | | Assuming the risk-free rate is 5%. Calculate the differential return, Sharpe and Treynor ratios for the two funds. | | | | | | | | **10M** |
| **Question No 3** | Explain the steps in the IPO issue process in India by emphasizing on the role of book book-running lead manager | **10M** |
| **Question No.4** | XYZ Limited to issue CPs each of Rs. 5,00,000 for a period of 180 days at an interest cost not exceeding 6.5%. XYZ Ltd. is advised that its CP would find buyers at a discounted price of Rs. 4,85,000. Will XYZ Ltd. go ahead with the issue? | **10M** |
| **Question No.5** | Consider a Rs 1000 par value bond whose current market price is Rs 850. The bond carries a coupon rate of 8% and has a maturity period of 9 years.  What would be the rate of return that an investor earns if he purchases the bond and holds it till maturity? Explain the YTM result by linking its relationship with bond price. | **10M** |
| **Question No.6** | Explain the features of new financial assets REITs and InvITs. | **10M** |
| **Question No.7** | Explain zero coupon bonds, coupon bonds and perpetual bonds features |  |