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JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT

TEST -3 EXAMINATIONS- 2026

BBA-VI Semester (Core)

COURSE CODE (CREDITS): 25BB1HS612 (4) MAX MARKS: 35

COURSE NAME: FINANCIAL INSTITUTIONS AND MARKET

COURSE INSTRUCTOR: Dr. Vaishali Dhiman MAX. TIME: 2 Hour

Note: (a) All questions are compulsory.

(b) The candidate is allowed to make Suitable numeric assumptions wherever required for solving problems

(c) Use of calculator is allowed

<table>
<tr><th>Q.No</th><th>Question</th><th>CO</th><th>Marks</th></tr>
<tr><td>Q1</td><td>Explain the concept of the money market and discuss its importance in the financial system. Describe the major instruments of the money market and explain in detail any two instruments.</td><td>CO2</td><td>2.5</td></tr>
<tr><td>Q2</td><td>What is the debt market? Explain its significance in the economy. Discuss private corporate debt market.</td><td>CO2</td><td>2.5</td></tr>
<tr><td>Q3</td><td>The following data relates to an economy for the year 2025 (figures in ₹ crore):
<table>
<tr><th>Particulars</th><th>Amount</th></tr>
<tr><td>Private Final Consumption Expenditure</td><td>10,000</td></tr>
<tr><td>Government Final Consumption Expenditure</td><td>3,000</td></tr>
<tr><td>Gross Domestic Capital Formation</td><td>4,000</td></tr>
<tr><td>Exports</td><td>2,000</td></tr>
<tr><td>Imports</td><td>1,000</td></tr>
<tr><td>Depreciation</td><td>1,000</td></tr>
<tr><td>Net Factor Income from Abroad</td><td>500</td></tr>
</table>
<table>
<tr><th>Sector</th><th>Value of Output</th><th>Intermediate Consumption</th></tr>
<tr><td>Agriculture</td><td>8,000</td><td>3,000</td></tr>
<tr><td>Manufacturing</td><td>12,000</td><td>5,000</td></tr>
<tr><td>Services</td><td>10,000</td><td>3,000</td></tr>
</table>
Calculate:
(i) GDP at Market Price by Expenditure Method
(ii) GDP at Market Price by Production Method
(iii) GNP at Market Price
(iv) NNP at Market Price</td><td>CO1</td><td>5</td></tr>
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<table>
<tr><td>Q4</td><td>a) Explain the banking sector reforms in India to strengthen financial stability and improve the efficiency of the banking system.

b) How the implementation of Basel Norms has improved the stability, risk management, and capital adequacy of banks.</td><td>CO5</td><td>2.5 + 2.5 = 5</td></tr>
<tr><td>Q5</td><td>Explain the role of the Reserve Bank of India in maintaining stability and regulation of the banking sector.</td><td>CO4</td><td>3</td></tr>
<tr><td>Q6</td><td>Discuss the functions of the Securities and Exchange Board of India in regulating the capital market and protecting investor interests.</td><td>CO4</td><td>3</td></tr>
<tr><td rowspan="4">Q7</td><td>Case Study:
A major scam in the Indian capital market involved manipulation of “K-10 stocks” using circular trading and bank funds to artificially raise share prices. Large amounts of borrowed money were routed into the stock market, creating fake demand and misleading investors before the market crashed.</td><td rowspan="4">CO3</td><td rowspan="4">1 + 2 +2 = 5</td></tr>
<tr><td>a) Identify the person associated with the scam involving manipulation of “K-10 stocks” in the Indian capital market.</td></tr>
<tr><td>b) Describe the methods used for stock price manipulation and misuse of funds in this scam.</td></tr>
<tr><td>d) Discuss the impact of the scam on investors and financial institutions, and the reforms introduced afterward.</td></tr>
<tr><td>Q8</td><td>Using the following data for an economy for the year 2023–24, calculate the:
1. Finance Ratio (FR)
2. Financial Inter-relation Ratio (FIR)
3. New Issue Ratio (NIR)
4. Intermediation Ratio (IR)
<table>
<tr><th>Item</th><th>Amount (₹ crore)</th></tr>
<tr><td>National Income (NI)</td><td>1,24,800</td></tr>
<tr><td>Net Domestic Capital Formation (NDCF)</td><td>36,400</td></tr>
<tr><td>Primary Issues (New shares, debentures, etc.)</td><td>42,500</td></tr>
<tr><td>Secondary Issues (Bank deposits, insurance funds, etc.)</td><td>31,800</td></tr>
</table></td><td>CO3</td><td>4</td></tr>
<tr><td>Q9</td><td>Explain the concept of mutual funds. Discuss their types, and the role of mutual funds in the development of the Indian capital market.</td><td>CO5</td><td>5</td></tr>
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