2878 *Your Roll No.* ....

' **M.Com./Sem. III (NC)** **F**

Course : MJ301: Financial Institutions and Markets

Time : 3 Hours *Maximum Marks : 100*

(Write your Roll No. on the top immediately on receipt of this question paper.)

*Attempt **all** questions.*

All questions carry equal marks.

1. (a) How is the yield curve derived? What is its utility? Also, explain the liquidity preference theory and its relevance

OR

(b) Critically examine the Pure Expectations theory and compare it with the segmented Markets theory. In your opinion, which theory of the term structure of interest rates offers the best explanation? Justify your answer.

2. (a) Explain the LAF mechanism and discuss the various money market instrument's. Also briefly

comment on the recent debate on changes in monetary policy formulation.

OR

(b) What is the rationale behind the setting up of the New Development Bank? In your opinion, what are the challenges facing NDB and what are the chances of its success?

3. (a) Comment on the various models of financial inclusion. What is your opinion of the Indian approach to financial inclusion? Elucidate.

OR

(b) "Implementation of the new Basel III norms and the growing problem of NPAs in the banking sector are major causes of concern". Comment

4. (a) Critically evaluate the different types of mutual fund schemes in India. Also distinguish between index funds and ETFs.

OR

(b) "The National Pension System has not lived up to its potential". Explain. Also comment on the role of PFRDA in this regard.

5. Comment briefly on any **two** of the following:

   (a) Too-big-to fail institutions.

   (b) Construction of stock market indicators.

   (c) Determinants of interest rates.

   (d) CAMEL and it utility.