INDIRA UNIVERSITY, PUNE

SCHOOL OF BUSINESS- MBA

Term End Examination (2025 Pattern) April- May – 2026- Semester – II

Course Name: Indian Financial Institutions & Markets **Max. Marks: 50**
Course Code: 25MBA243 **Time: 2:30 Hrs.**

Instructions

Instructions 1 **All questions are compulsory. Kindly read the detailed instructions for each question.**
Instructions 2 **Question 1,2 & 3 carry 10 marks each.**
Instructions 3 **Question 4 carries 20 marks.**

Q1.	**Questions – Attempt Any one** **(10 Marks)**	CO 3
1.	A fintech startup named “GrameenPay Solutions Pvt. Ltd.”**,** founded by *Rohit Sharma* and *Ananya Deshmukh*, aims to expand digital financial services in rural Maharashtra. The startup focuses on micro-lending, digital payments, and financial literacy. Identify and justify the role of the following institutions in supporting this business model: • NABARD • Commercial Banks Further, recommend the most suitable combination of these institutions for Grameen Pay’s expansion strategy. Support your answer with clear reasoning related to funding, outreach, and sustainability	
2.	Mr. *Vikram Mehta,* a risk-averse investor, has received ₹50 lakhs from the sale of property. He wants to invest this amount for 6 months with the objectives of capital safety, liquidity, and moderate returns**.** Select the suitable money market instruments (such as Treasury Bills, Commercial Papers, Certificates of Deposit, etc.) for his investment. Justify your recommendations by analyzing each instrument based on: • Risk • Return • Liquidity Conclude with the most appropriate investment strategy for Mr. Mehta.	
Q2.	**Questions – Attempt Any one** **(10 Marks)**	CO 4
1.	Ms. Priya Nair, a retail investor, initially hesitated to participate in the stock market due to concerns regarding fraud, lack of transparency, and weak investor protection. Over time, she	

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<tr><td></td><td>observed improvements such as enhanced disclosures, secure transactions, and effective grievance redressal mechanisms.

In the context of the above case, analyze the structure, role, and responsibilities of the Securities and Exchange Board of India (SEBI) in regulating and developing the Indian capital market.</td><td></td></tr>
<tr><td>2.</td><td>In a semi-urban district, two individuals—Ramesh Patil (a small shop owner) and Saira Khan (a self-employed tailor)—require financial services like loans and savings accounts.

Compare the role of:

• NBFCs
• Commercial Banks in promoting financial inclusion for such individuals.

Analyze their effectiveness based on factors such as: Accessibility, Flexibility in lending, Interest rates, Customer outreach

Support your answer with suitable examples.</td><td></td></tr>
<tr><td>Q.3</td><td>Questions – Attempt Any one (10 Marks)</td><td>CO 5</td></tr>
<tr><td>1.</td><td>The Indian government aims to achieve sustained economic growth through a strong financial system. Consider the case of “Arjun Industries Ltd.”, a manufacturing firm seeking funds for expansion, and Neha Verma, an individual investor looking for wealth creation opportunities.

Evaluate the structure of the Indian Financial System (including financial institutions, markets, instruments, and services).

Assess whether this system effectively supports the needs of both businesses and individual investors on flowing factors like efficiency, accessibility, integration of markets, and contribution to economic growth.</td><td></td></tr>
<tr><td>2.</td><td>During a period of economic uncertainty, Amit Kulkarni, an importer, faced losses due to fluctuating exchange rates, while banks struggled with liquidity issues.

Critically evaluate the role of the Reserve Bank of India (RBI) as a regulator in maintaining stability in Money Market & Foreign Exchange Market

Explain RBI’s tools and measures such as: Monetary policy (Repo rate, CRR, SLR), Forex interventions, Inflation targeting in ensuring financial stability and economic balance.</td><td></td></tr>
<tr><td>Q.4</td><td>India has witnessed rapid growth in digital financial services, including UPI, mobile banking, and fintech innovations. However, this growth has also raised concerns about cybersecurity, regulatory gaps, and financial frauds. At the same time, foreign investors (FIIs) are increasingly investing in Indian markets, influenced by global economic conditions and RBI policies.</td><td>CO 6</td></tr>
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	Regulatory bodies like RBI and SEBI are continuously evolving frameworks to balance innovation and stability. Meanwhile, fluctuations in foreign exchange rates have also impacted import-export businesses. Answer the following: **a)** Discuss the role of regulators in framing the strategy to address risks while encouraging FII's in India. **(10 Marks)** **b)** Propose RBI's role in stabilizing the foreign exchange market and attract sustainable foreign investment. **(10 Marks)**	

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