

Roll No.
SAP ID



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, July 2020
Open Book – Through Blackboard Learning Management System

Course: Financial Market Regulations Semester: 6
Course Code: CLBN3001
Programme: BBALLB (BFI)

Time: 03 hrs.

Max. Marks: 100

Instructions:

As this examination is in open-book format, the students are expected to demonstrate a very high degree of Academic Integrity and not copy contents from resources referred. Instructors would look for understanding of the concept by the students and any similarity found from resources online/ offline shall be penalized in terms of deduction of marks and even cancellation of paper in requisite cases. The online examination committee of the School would also look for similarity of two answer scripts and if answer scripts of two or more students are found similar, both the answer scripts shall be treated as copied and lead to cancellation of the paper. In view of the aforesaid points, the students are warned that they should desist from using any unfair means.

All Questions are Compulsory
Answer each question in not more than 500 words

S. No.		Marks	CO
	Reserve Bank of India has both monetary and non-monetary functions. As a central bank RBI has different departmental functions and many subsidiaries which are assigned with role of supervision, monetary policy decisions, inflation control. Financial markets involve many various intermediaries which are undertaking roles of monetary transactions, digital payments, loan lending, credit rating, stock market transaction, dematerialisation of shares, providing NAVs, insuring businesses and retail customers and many more. These organizations have a regulatory body to monitor their roles performance. Even the insurance products has a bigger pervasive aspect of agent's network and policy holders who pay premium and even the companies who sell policies also fall under the regulatory framework of an Institutional body. The regulatory bodies ensure regulation, management, supervision, control, observation and monitoring of these financial market intermediaries. (Ques. 1 and 2)		
1	Analyse the role of Central bank in global financial crisis.	20	CO3
Ans.			
2	Evaluate the role of various financial regulatory bodies in financial markets and how successfully they have been able to regulate the markets.	20	CO3
Ans.			
3	Financial service providers were ordinarily not covered under the Insolvency and	20	CO4

	<p>Bankruptcy Code in the original code of 2016. Under the rules, specifically Sec 227 of IBC as notified, the code can be invoked to find a resolution for stressed finance companies such as Dewan Housing Finance Corporation Ltd. (DHFL). These rules will not apply to banks but to systemically important FSPs as per the latest amendments brought in 2019.</p> <p>Analyze the statement in case of insolvency of FSPs.</p>		
Ans.			
4	<p>Harshad Mehta Scam</p> <p>Harshad Mehta was an Indian stockbroker, well known for his wealth and for having been charged with numerous financial crimes that took place in the 1992 securities scam. Of the 27 criminal charges brought against him, he was only convicted of four, before his death at age 47 in 2001. It was alleged that Mehta engaged in a massive stock manipulation scheme financed by worthless bank receipts, which his firm brokered in "ready forward" transactions between banks. Mehta was convicted by the Bombay High Court and Supreme Court of India for his part in a financial scandal valued at ₹ 5000 Crores which took place on the Bombay Stock Exchange (BSE). The scandal exposed the loopholes in the Indian banking system, Bombay Stock Exchange (BSE) transaction system and SEBI further introduced new rules to cover those loopholes. He was tried in court for 9 years, until he died in late 2001.</p> <p>(Ques 4 & Ques 5) Source: Wordpress</p> <p>How Derivatives help in risk management? Analyse how futures & forwards transactions, assist in the risk management strategies.</p>	20	CO3
Ans.			
5	<p>SEBI Act 1992 was formulated as an aftermath of the Harshad Mehta Scam. How has SEBI Act helped in safeguarding interests of shareholders?</p>	20	CO4
Ans.			

I,, understand that submitting work that isn't my own may result in failure in this paper and I may also be subject to Disciplinary Proceedings as per the Academic Integrity policy of the University.