12

St. Claret College

Autonomous, Bengaluru

ROLL NO:
DATE:

PG END SEMESTER EXAMINATION - MAY 2026

MBA: III SEMESTER

MCOOE 325: Finance and Banking (OPEN ELECTIVE)

TIME: 3 hours. **MAX. MARKS: 70**

This paper contains THREE printed pages and FOUR parts

Instructions:
1. **Verify and ensure that the question paper is completely printed.**
2. **Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.**
3. **Students must check the course title and course code before answering the questions.**

PART-A

Answer SEVEN questions out of NINE. Each answer carries TWO marks. **[2x7 = 14]**

1. As an investor, how would you evaluate a company's performance before buying its shares in the secondary market?
2. Describe how the trading, clearance and settlement procedures in stock markets ensure transparency and security for investors.
3. List 4 different types of commodity markets.
4. You are a trader in the commodity futures market. How would you use futures contracts to hedge against price fluctuations in the agricultural sector?
5. What do you mean by FinTech and name any two FinTech companies.
6. How could Neo-banks and Open Banking revolutionize financial services in rural India?
7. Analyze the differences between retail banking and corporate banking in terms of customer needs and the services provided.
8. List the types of bank accounts and provide one key feature of each.
9. Differentiate between a bill of exchange and a promissory note.

PART-B

Answer any FOUR questions out of SIX. Each answer carries FIVE marks. **[5x4 = 20]**

10. Imagine you are the head of a new startup. You need to raise capital through a public offering. Explain the process of issuing shares in the primary market.

11. As a government policy advisor, you are tasked with suggesting reforms for a national commodity exchange. What changes would you propose to increase its effectiveness in promoting fair trade and price discovery?

12. Describe the concept of blockchain technology. why is it considered revolutionary for the financial industry?

13. You are the CEO of a traditional bank. How would you integrate FinTech services such as UPI, mobile payments, and digital banking into your bank's existing infrastructure?

14. As the manager of a bank branch, you are tasked with explaining the process of opening a new account to a potential customer. Describe the steps involved and the KYC procedures, ensuring compliance with RBI regulations.

15. You are a banker processing a cheque for a client. The cheque is crossed "Account Payee" and is presented at a branch different from the issuing bank. Describe the steps the bank takes to verify and process this cheque.

PART-C

Answer any TWO questions out of FOUR. Each answer carries TEN marks. **[10X2 = 20]**

16. You are advising an institutional investor on investing in the stock market. Develop a strategy for investing in primary and secondary markets, considering factors like market trends, risk tolerance, and asset allocation. How would you evaluate different securities before investing?

17. As a risk manager, design a strategy using commodity futures and options to hedge against fluctuating prices of raw materials like oil, metals, and agricultural products. Explain your reasoning behind this strategy.

18. As CFO, discuss how adopting Central Bank Digital Currencies (CBDCs) could impact your company's cross-border payment system, both positively and negatively.

19. As an entrepreneur seeking funding, explain how you would secure a loan from a commercial bank, including the types of loans, the process, and documents required. How would the bank assess your business's creditworthiness?

PART-D

Answer the following. **[16X1=16]**

20. **The Role of ESG in Shaping Sustainable Finance in India**

In recent years, Environmental, Social, and Governance (ESG) criteria have emerged as significant factors driving investment decisions worldwide. ESG investing focuses on companies that demonstrate a commitment to responsible environmental practices, positive social impact, and strong governance structures. In India, ESG investing is gaining momentum as investors, regulators, and consumers become more conscious of sustainability issues.

Several global and Indian companies are incorporating ESG criteria into their business models. Large corporations such as Tata Group, Infosys, and Mahindra Group have made public commitments to reducing their carbon footprints, promoting diversity and inclusion, and ensuring transparent governance practices. In addition, the Securities and Exchange Board of India (SEBI) introduced regulations requiring companies to disclose their ESG performance, which has further increased the importance of these criteria in the Indian corporate landscape.

However, despite the growing interest in sustainable finance, many challenges remain. For instance, there is a lack of standardized ESG metrics, and investors are often unsure about how to assess the long-term impact of ESG initiatives. Moreover, many companies are still at an early stage in adopting sustainable practices and may face difficulties in meeting the growing demands of stakeholders and regulators.

The Indian Government has also shown its commitment to sustainable finance by supporting Green Bonds and financing projects that align with the UN Sustainable Development Goals (SDGs). However, achieving the necessary level of investment in green and socially responsible projects is a challenge, given the country's rapid development needs and the competition for limited capital.

Questions:

1. How can Indian companies integrate ESG criteria into their strategies, and what challenges might they face?
2. How can institutional investors in India develop an ESG investment strategy that balances sustainability with competitive returns?
3. How will SEBI's ESG disclosure regulations impact Indian companies, and how can they use these regulations to attract investment?
4. How can the Indian government promote sustainable finance through policies and incentives for green investments?

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