DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

P.G.DIPLOMA IN FINANCIAL SERVICES & LEGISLATIONS

Academic Year: 2019-2020

I Semester - End Semester Examination (December, 2019)

Paper II - 1.1.2. Financial Legislations

Time: 2 ½ hours. **TOTAL MARKS: 70**

INSTRUCTIONS TO CANDIDATES

1. The questions to be interpreted as given and no clarification can be sought from the invigilator.
2. It is an open book exam. Only the material provided along with the question paper by the invigilator shall be used.
4. No other printed or handwritten materials / mobile phone / electronic devices will be allowed in the Exam hall.
5. Answers without Question numbers will not be marked.
6. Answers in illegible handwriting will not be taken into consideration.

---

1. Distinguish Banking Company from Non-Banking Finance Company (NBFC). Also critically evaluate the recent trend of Mergers and Consolidation happening in Indian banking sector. **(10 Marks)**

2. Explain various kinds of Insurance Business in India. Also explain the capital requirement norms of insurance companies and the grounds on which their licenses can be cancelled as per the Insurance Act (as amended in 2015) **(15 Marks)**

3. Explain the composition SEBI along with its objectives and primary functions mentioned as per SEBI Act. Do you think that SEBI is successful in attaining its objectives? **(15 Marks)**

4. Critically evaluate the steps of resolution process as per Insolvency and Bankruptcy Code (IBC). Also comment the issues which you feel are difficult to implement and needs to be addressed. **(15 Marks)**

5. Based on the Master Directions on FDI by RBI, advice your client on the following issues:
   a) Your client is an Overseas Citizen of India and wants to invest on a Chit Fund business and also on Real Estate Company. **(3 Marks)**
   b) Your client wants to invest a total of INR 300 Crores on an Automobile manufacturing company and another INR 200 Crores on Cigar manufacturing company over a period of next three years. The initial investment on the Automobile Company will be INR 60 Crores and on Cigar Manufacturing company is INR 100 Crores. **(4 Marks)**
   c) Your client wants to invest on a company whose share price has been increasing continuously ever since they are listed. As the share price may increase in the near future, your client wants to acquire shares worth INR 100 in next year at a price fixed today. **(4 marks)**
   d) Your client would like to pick up 5% stake in a listed NBFC company which is registered with RBI and wants to know whether it comes under FDI or FPI and also whether it qualifies under automatic approval route. **(4 Marks)**