DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

Post-Graduate Diploma in Financial Services and Legislations

Academic Year: 2020-2021

First Semester - End Semester –Take Home Examination (January, 2021)

Paper I - 1.1.1. Financial Markets & Institutions

TOTAL MARKS: 50

INSTRUCTIONS TO CANDIDATES

a) **Read the instructions for Take Home Examination carefully and adhere to the same.**
b) **Please mention your name, ID No., subject name and total number of pages on the Answer Sheet.**
c) **Clearly indicate the question numbers while answering them.**
d) **Since this is a take home exam, we expect your answers to be analytical rather than straight answers.**
e) **Answer very elaborately to each question with minimum 1500 words. Tables, Images and other infographics can be used but will not be included in the minimum word/page count.**
f) **Each page should have 1 inch margin on all sides. Times new roman Font with Font size 12 and single line spacing should be used throughout.**
g) **Mere filling of pages will not attract marks. Marks will be awarded based on the strength of content and the underlying analysis done.**
h) **You may use graphs and charts. But they shall be clearly cited.**
i) **Answer two questions and each question carries 25 marks.**
j) **Copying from any source including from other students is strictly prohibited. Plagiarism is considered as a serious academic mis-conduct and the University will take action as it deems fit.**

Marks : 2 x 25 marks each

Q.No. 1) Will the interest rates in India increase in the next one year period? In that case, how is RBI going to manage its monetary policy to tame inflation and ensure Liquidity in the market? What will be the impact on the money market instruments in India in terms of investor participation and market size? How will the commercial Banks and NBFCs get impacted on account of the prospective changes in the interest rates? Present a detailed analysis.

Q.No. 2) Present a detailed analysis of the mutual fund participation in Indian equity markets since March 2020 to till date. Has it been increased or decreased? Explain the underlying reasons. Which sectors did attract more mutual fund participation and why? Are ELSS funds still the preferred avenues for tax saving purposes amidst these Covid times? Support your answer with detailed explanation.