

31 MAY 2025

NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination April-May, 2025

Semester: U.G – X Sem – (Business Law Hons.)

Subject: Financial Market and Regulatory Systems

Time: Three Hours

Marks: 100

Instructions:

1. Attempt any Five out of six questions.
2. All questions carry equal marks.
3. Use of any reference material such as Bare Acts is not permitted.
4. Use of Simple Calculator is permitted.

Q1. The concept of "Sovereign Gold Bonds" is quite unique. It not provides a way through which the investor can invest in the virtual gold but also provides additional benefit to the investors. In the light of above-mentioned statement explain the concept of Sovereign Gold Bonds and how it works. Also, explain the various problems associated with this concept.

(20 Marks)

Q2. Explain the concept of front running in financial markets. Discuss the ethical and legal implications of front running. Also, explain how these practices hamper the dynamics of the market and the difference between front running and insider trading.

(20 Marks)

Q3. Mr. Suresh wants to purchase a property in Delhi- NCR, but due to the skyrocketing prices of real estate market he is unable to fulfil his dreams. He then decided to invest via the medium of fractional ownership platform i.e. "Property Share". Since he does not have the basic idea about fractional ownership, he has approached you for your guidance. On the basis of above-mentioned facts kindly guide, him on the following

- a. What is fractional ownership and how does this entire ownership model work?
- b. What are the key benefits and risks involved in this type of investment?

(10+ 10= 20 Marks)

Q4. (a) In detail explain the concept of P/E ratio and P/B ratio in financial markets. Also, explain the relevance and its importance these factors from the investor perspectives.

(b) Calculate the P/E Ratio in the following scenario

- (i). No. of Shares is = 50,000



(ii) Total Profit generated = Rs 5,50,000/-

(iii) Market Price Per Share = Rs 2000/-

(10+ 10= 20 Marks)

Q5. Mr. Raj Singh an average risk taker wants to invest Rs. 40Lakhs in a traditional fixed deposit system for a time period of 3 years and the rate of interest offered to him is 6.75% compounded annually. Since Mr. Raj is a layman and does not have any understanding about Real Interest, Nominal Interest and impact of inflation on the interest, he has approached you for your advice. In the light of above-mentioned statement explain Mr. Raj the following.

- a. Explain how the concept of Nominal interest differs from Real Interest.
- b. In the abovementioned scenario calculate the Nominal and Real Interest

The increase in rate of Inflation are as follows:

- (i) From the Calendar year 2025 is 0.25%,
- (ii) For the year 2026 is 0.75% and
- (iii) For the year 2027 is 1%.

(10+ 10= 20 Marks)

Q6. Write short notes on any 4 of the following

- a. Masala bonds
- b. Venture Capital Funds
- c. Social Stock exchange
- d. SEBI SCORES and SCORES2.0
- e. Finfluencers

(5M*4=20Marks)

