



Victoria University of Bangladesh

Assessment Topic:

Final Assessment

Course Title: Financial Institutions

Course Code: FIN-439

Submitted To:

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Ans: to the question no-01

* Ans: Different functions and Roles of SEBI:-

* Functions of SEBI:- There are two functions of SEBI (Securities and Exchange Board of India),

① Regulatory functions of SEBI.

② Developmental functions of SEBI.

Regulatory functions of SEBI:- There are four regulatory functions of SEBI.

① Regulation of stock exchange and self regulatory organizations.

② Registration and regulation of stock brokers, sub-brokers, Registrars to all issues, merchant bankers, underwriters, Portfolio managers etc.

③ Registration and regulation of the working of collective investment schemes including mutual funds. Prohibition of fraudulent and unfair trade practices relating to securities market.

④ Prohibition of insider trading
Regulating substantial acquisition of shares and takeover of companies.

P.T.O

Developmental functions of SEBI:- There are two developmental functions of SEBI.

① Promoting investor's education training of intermediaries conducting research and publishing information useful to all market participants.

② Promotion of fair practices promotion of self regulatory organizations.

* Roles of SEBI:- Roles of SEBI has regulated the primary market through

// The regulation of issuer's access to market,

// Regulation in information production at the time of issue.

// Regulation of processes and procedures relating to issuance of securities.

// Disclosure standards are not limited to accounting information but was extended to other issue related communications such as advertisements.

// Corporate Governance SEBI has made a constant effort to improve the standards of Corporate Governance in India.

// Settlement systems

// D-materialization of securities.

// Institutionalization of Trading and ownership of securities.

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// Market Integrity and Insider Trading.

// To help in developing the capital market so that the business activities doesn't get hampered.

// To bring companies and organizations under its regulation, so that the interests of investors are not harmed.

// To curtail unethical trading which includes insider trading also.

// To impart training to market participants on regular basis.

// Control and regulate stock exchanges.

// Grant registration to market intermediaries.

// In any state or area to grant licenses to dealers in securities.

//

P.T.O

Ans: to the question no-02

* Ans:- Commercial Bank:- Commercial banks are an important part of financial system of a country. These banks have substantial financial resources and hence are dominant players in all segments of financial markets like credit, money, securities, foreign exchange and derivatives. They mobilize funds mainly in the form of deposits including demand deposits. Bank use deposits and borrowings mainly for giving loans and investing funds in various financial assets.

There are two functions of Commercial banks:-

① Main functions.

② Agency functions.

Main Functions:- There are below main functions:-
① Acceptance of deposits and borrowings of funds from various markets.

② Giving advance or loan either upon or without security.
③ Granting & issuing of letter of credits, guarantees and travelers cheques etc.

④ Buying and selling of commodities like gold.

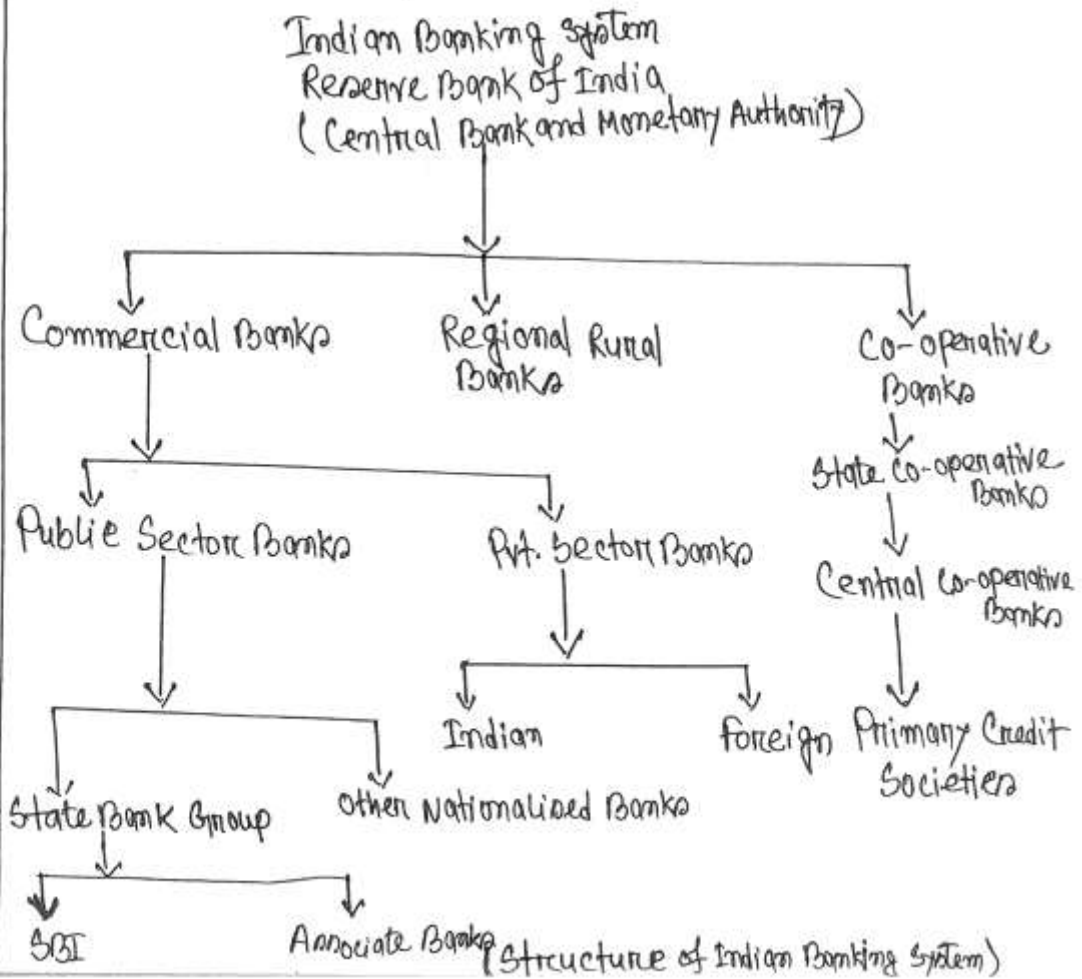
⑤ Buying and selling of foreign exchange

⑥ To provide safe deposit ~~and~~ vaults.

Agency functions:- Banks act as an agent on behalf of customers and accordingly undertake following functions:

- ① Collection of account receivables, bills of exchange, Promissory notes, cheques etc.
- ② Purchase and sale of shares, bonds, debentures etc. on behalf of customers.
- ③ Buying and selling of foreign exchange on behalf of customers.

* Structure of Banking Institutions:- There are below structure of banking institutions:-



Ans: to the question no-03

* Ans:- Intermediaries:- Intermediaries intermediate between savers and investors. They lend money as well as mobilise savings. Their liabilities are towards ultimate savers, while their assets are from the investors or borrowers. All Banking institutions and LIC, GIC are non banking intermediaries.

* Non-Intermediaries:- Non intermediaries they do the loan business but their resources are not directly obtained from the savers, like IDBI, IFC and NABARD as a government efforts to provide assistance for specific purpose, sectors, and regions for regional under developed and backward area development NBSFO - non banking statutory financial organisations.

P.T.O

* Financial Instruments:— Financial instruments are assets that can be traded, or they can also be seen as packages of capital that may be traded. Most types of financial instruments provide efficient flow and transfer of capital throughout the world's inventors. These assets can be in the form of cash, a contractual right to deliver or receive cash or another type of financial instrument or evidence of one's ownership in some entity.

Examples:— Financial instruments include stocks, exchange-traded funds, bonds, certificates of deposit, mutual funds, loans and derivatives contracts, among others.

* Foreign exchange control:— Foreign exchange control are every foreign transaction, including the inflow and outflow of foreign exchange. It takes steps to stop the decrease in the value of the Indian Rupee.

Ans: to the question no-06

* Ans: - General Insurance Company: - General insurance industry in India was nationalised and a government company known as General Insurance Corporation of India was formed by the central government in November-1972. General Insurance Companies have willingly catered to these increasing demands and have offered a plethora of insurance covers that almost cover anything under the GIC.

* Objective of the GIC: - There are three objectives of the GIC.

- ① To carry on the general insurance business other than life, such as accident, fire etc.
- ② To aid and achieve the subsidiaries to conduct the insurance business.
- ③ To help the conduct of investment strategies of the subsidiaries in an efficient and productive manner.

P.T.O

* Roles and Functions of G.I.C. :- Roles and function of

G.I.C there are below —

① Carrying on of any part of the general insurance, if it thinks it is desirable to do so.

② Aiding, assisting and advising the acquiring companies in the matter of setting up of standards of conduct and sound practice in general insurance business.

③ Rendering efficient services to policy holders of general insurance.

④ Advising the acquiring companies in the matter of controlling their expenses including the payment of commission and other expenses.

⑤ Advising the acquiring companies in the matter of investing their fund.

⑥ Issuing directions and encouraging competition among the acquiring companies in order to render their services more efficiently.