

**ISQ Examination - Summer-2013**  
**Introduction to Financial Systems and Banking Regulations - Stage- I**

- Q. A. Credit Rating agencies over the last two decades have gained popularity. Explain the nature and role of the credit rating agencies.
- Q. B. State any TWO types of credit ratings that exist.
- Q. C. Do credit rating firms have to abide by any regulatory framework? If yes, state any TWO items of the framework.
- Q. Discuss the role of secondary market and its importance to the listed companies as well as investors.
- Q. Differentiate between the key features of a common stock and a preferred stock.
- Q. A. Explain any three roles of a “depository”.
- Q. B. List any FOUR functions performed by the Central Depository Company of Pakistan.
- Q. C. State the scope of primary market and list its major functions.
- Q. Define Securities and Exchange Commission of Pakistan. Explain any of its FOUR functions.
- Q. A. What is Financial Intermediation?
- Q. B. Define THREE major functions of financial intermediation?
- Q. C. State any TWO advantages of financial intermediation to the economy.
- Q. A. Define spot rate and forward rate.
- Q. B. How does lowering of short term real interest rates affect business investments? Give any three effects.
- Q. Give any three advantages and two disadvantages of integrating a country's financial system with the global financial sector.

Q. Define the following terms:

- A. Liquid Assets
- B. Subordinated Loan
- C. Tangible Security
- D. Underwriting commitments
- E. Strategic investment

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