

UNIVERSITY OF LONDON

CENTRE FOR FINANCIAL AND MANAGEMENT STUDIES

MSc Examination

Postgraduate Diploma Examination

Postgraduate Certificate Examination

for External Students

FMM443

BANKING

FINANCE AND FINANCIAL LAW

Regulation of International Capital Markets

Specimen Examination

*This is a specimen examination paper designed to show you the type of examination you will have at the end of the year for **Regulation of International Capital Markets**. The number of questions and the structure of the examination will be the same but the wording and the requirements of each question will be different. Best wishes for success on your final examination.*

The examination must be completed in **THREE** hours.

Answer **THREE** questions; *at least* **ONE** question from **Section A** and **ONE** from **Section B**. The remaining question can be selected from *either* Section.

The examiners give equal weight to each question; therefore, you are advised to distribute your time approximately equally between three questions.

PLEASE TURN OVER

Answer THREE questions, at least ONE question from each section

SECTION A: Answer at least ONE question from this section

- 1 (a) Explain the key objectives of financial regulation in the UK. *(30 marks)*
(b) Discuss whether the evolution of regulatory architecture from the single regulator to the twin peaks architecture (i.e. the roles of the Prudential Regulation Authority and the Financial Conduct Authority) effectively address the objectives of financial regulation? *(70 marks)*

- 2 Critically explain the system of financial regulation in the EU, discuss with reference to bank and securities markets regulation.

- 3 (a) Discuss the types of international capital markets that have arisen globally. *(70 marks)*
(b) Explain how banks and markets act as financial intermediaries. *(30 marks)*

- 4 (a) Discuss the tools of prudential regulation. *(50 marks)*
(b) Discuss the tools given to regulators to deal with financial institutions in distress. *(50 marks)*

PLEASE TURN OVER

SECTION B: Answer at least ONE question from this section

- 5 (a) Explain the rationales for regulating securities and investment firms. *(25 marks)*
- (b) Discuss how securities and investment firms are regulated in the UK. *(75 marks)*
- 6 Explain how broker-dealers are regulated in the US and the importance of common law jurisprudence in regulating their conduct.
- 7 (a) Discuss the roles of 'primary' and secondary' markets and how they support each other in the process of capital formation for companies. *(25 marks)*
- (b) Discuss the key differences between the fraud-based liability regime for insider dealing in the US and the strict liability regime for insider dealing under the European Union's Market Abuse Regulation. *(75 marks)*
- 8 (a) Explain the roles played by international financial regulatory bodies in setting standards for financial regulation. *(50 marks)*
- (b) Discuss the key tenets of international regulatory convergence in relation to anti-money laundering regulation. *(50 marks)*

END OF PAPER