

Code: BA3T7F

PVP 12

II MBA-I Semester-Regular Examinations FEBRUARY 2014

FINANCIAL MARKETS AND SERVICES

Duration: 3hours

Max. Marks: 70

SECTION-A

1. Answer any FIVE of the following: 5 x 2 = 10 M

- a) Financial System
- b) Money Market
- c) RBI
- d) NBFCs
- e) Open end Mutual Fund
- f) IRDA
- g) CARE
- h) Bankers to an Issue

SECTION – B

Answer the following: 5 x 10 = 50 M

2. a) What is financial System and write about the role of Financial System in an economy?

OR

b) Briefly discuss about primary market and secondary market.

3. a) Give a brief account on growth and structure of Commercial Banks in India.

OR

b) Give a comparative performance of Private, Public and Foreign banks in India.

4. a) Critically evaluate the role of IFCI in India's economic Development.

OR

b) Elucidate the growth of Pension funds in India.

5. a) Differentiate Hire Purchase Financing and Lease Financing.

OR

b) Explain the advantages of Credit Rating Agencies in India.

6. a) Discuss about the role and functions of Merchant banks in India.

OR

b) Briefly explain about Merchant Banking regulation in India.

SECTION – C

7. Case Study

1 x 10 = 10 M

The turnover of Nebula Ltd is Rs 80 lakhs of which 80 per cent is on credit. Debtors are allowed one month to clear off the dues. A factor is willing to advance 90 per cent of the bills raised on credit for a fee of 3 per cent a month plus a commission of 5 per cent on the total amount of debts. As a result of this arrangement the company is likely to save Rs.25,000 annually in management costs and avoid bad debts at 2 per cent on the credit sales.

Star Bank has come forward to make an advance equal to 90 per cent of the debts at an annual interest rate of 21 per cent. However its processing fee will be at 3 per cent on the debts.

Would you accept factoring or the offer from the bank?