

Code: BA3T7F

II MBA-I Semester-Regular Examinations DECEMBER 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) Secondary Market
- b) Capital Adequacy Norms
- c) Commercial Paper
- d) SFCs
- e) Seed Capital
- f) Factoring
- g) Underwriter
- h) SEBI

SECTION – B

Answer the following: 5 x 10 = 50 M

2. a) Write about the factors affecting the stability of Financial System.

OR

b) Give a brief account on Financial Markets in India.

3. a) Evaluate the role of Commercial Banks in India after nationalization.

OR

b) Discuss in brief the banking sector reforms.

4. a) Briefly discuss about the role of IDBI in the industrial development.

OR

b) Elucidate the Indian Insurance Industry and its regulation

5. a) “There is no conducive business environment in India for Venture Capital Financing” comment.

OR

b) Give brief account on Housing Finance in India.

6. a) What is Merchant Banking? Write about the nature and Scope of Merchant Banking.

OR

b) Discuss in brief the regulatory frame work of Merchant Banking in India.

SECTION – C

7. Case Study

1 x 10 = 10 M

The turnover of Sun Shine Ltd is Rs 100 lakhs of which 80 per cent is on credit. Debtors are allowed one and half month to clear off the dues. A factor is willing to advance 80 per cent of the bills raised on credit for a fee of 4 percent a month plus a commission of 6 percent on the total amount of debts. As a result of this arrangement the company is likely to save Rs.30, 000 annually in management costs and avoid bad debts at 4 percent on the credit sales.

Moon Bank has come forward to make an advance equal to 80 percent of the debts at an annual interest rate of 18 percent. However its processing fee will be at 2.5 percent on the debts.

Would you accept factoring or the offer from the bank?