

Code: BA3T7F

**II MBA - I Semester – Regular/Supplementary Examinations
DECEMBER 2016**

FINANCIAL MARKETS AND SERVICES

Duration: 3 hours

Max. Marks: 70 M

SECTION-A

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

- a) What is the financial system?
- b) What are financial intermediaries?
- c) Structure of Insurance industry
- d) Unit Trust of India
- e) Open ended Mutual Funds
- f) Hire purchase finance
- g) Leveraged Lease
- h) Secondary market

SECTION – B

Answer the following: 5 x 10 = 50 M

2. a) Discuss the importance of Financial markets in the development of Indian Economy.

(OR)

b) What are constituents of Capital Market in India? State their performance.

3. a) What are the guidance given by RBI to NBFC's regarding acceptance of public deposits?

(OR)

b) What are Commercial papers? Explain their features and advantages.

4. a) Discuss about the financing pattern of IFCI and also evaluate its performance.

(OR)

b) What are Pension funds? Examine the features of Pension funds.

5. a) What is Venture capital financing? State the areas where it suits more.

(OR)

b) Why is credit rating important? Discuss about various credit rating agencies functioning in India.

6. a) Elaborate the functions of Merchant bankers. What will be the features of Merchant banking in India?

(OR)

b) What are the provisions of companies act 1956 relating to primary market? State the regulatory framework of SEBI to monitor primary market operation.

SECTION – C

7. Case Study

1 x 10 = 10 M

Cost of asset Rs. 100 lakhs

Lease/Hire purchase term 5 years

Lease rental/hire charges(annual) Rs. 34.17 lakhs

Tax rate 40%

Depreciation 25% on W.D.V basis

Cost of capital/discount rate 16%

Compute the after tax cost under leasing and hire purchase options.