

Code: 17BA3T6FA

**II MBA - I Semester-Regular/Supplementary Examinations
February 2022**

FINANCIAL MARKETS AND SERVICES

Duration: 3 hours

Max. Marks: 60

SECTION - A

1. Answer the following:

5 x 2 = 10 M

- a) Explain any two functions of Financial Intermediaries.
- b) What is a Commercial Paper?
- c) Write briefly about pension fund?
- d) Write a note on factoring.
- e) State any two features of merchant banking.

SECTION – B

Answer the following:

5 x 8 = 40 M

2. a) Discuss the role of financial system in the economic development of a country.

(OR)

- b) ‘Perfect capital market is a concept rather than a reality.’
Comment

3. a) Give an account of the comparative performance of public and

private sector commercial banks in India.

(OR)

b) Explain the structure and performance of banking institutions.

4. a) Discuss the role of insurance companies as well as insurance regulatory development authority of India.

(OR)

b) What is the need for development banks in India? Explain the objectives and functions of IDIBI.

5. a) Explain briefly the features of venture capital. Explain different methods of finance under venture capital.

(OR)

b) What is credit rating? Explain the working of various credit rating agencies in India.

6. a) Outline the functions of portfolio managers in investment.

(OR)

b) Explain the role of SEBI in regulating the primary markets and secondary markets.

SECTION-C

7. Case Study

1x10=10 Marks

An employee with 25 years of service at a company is considering retirement at some time in the next 10 year. The employer uses a final pay benefit formula by which the employee receives an annual benefit payment of 3.5 percent of her average salary during her last five years of service times her total years employed. The employee's average salary over the last 5 years of service is as follows:

	Average Salary during last five years of Service
Retire now	\$125,000
Retire in 5 Years	135,000
Retire in 10 Years	140,000

Calculate the annual benefit payment for retirement now, in 5 years, and in 10 years.