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Third Semester MBA Degree Examination, Feb./Mar. 2022 Banking and Financial Services

Time: 3 hrs.

Max. Marks:100

**Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
2. Question No. 8 is compulsory.**

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| 1 | a. What is an IPO? (03 Marks)
b. Explain the role of Commercial Banks in Socio Economic Development. (07 Marks)
c. Explain the Credit control techniques of RBI. (10 Marks) |
| 2 | a. What are the differences between Debit card and Credit card? (03 Marks)
b. What are the challenges of Micro Finances in India? (07 Marks)
c. Explain the Commercial Banking structure in India. (10 Marks) |
| 3 | a. What is Book – Building? (03 Marks)
b. Explain the differences between Leasing and Hire purchase. (07 Marks)
c. Explain the functions of Merchant Banker. (10 Marks) |
| 4 | a. What is underwriting in Issue Management? (03 Marks)
b. Explain the Credit Rating process. (07 Marks)
c. Explain the various types of Fund or Mutual Fund Schemes. (10 Marks) |
| 5 | a. What is Financial Leasing? (03 Marks)
b. Explain the stages of Venture Capital Financing. (07 Marks)
c. What is Securitization? Explain its process / stages. (10 Marks) |
| 6 | a. What do you mean by Dearer Monetary Policy? (03 Marks)
b. Write a note on NSDL. (07 Marks)
c. Explain the various types of Leasing. (10 Marks) |
| 7 | a. What are Open – ended and Close – ended Mutual Funds? (03 Marks)
b. Explain the reasons for the Slow growth of Mutual Fund in India. (07 Marks)
c. Explain the Pre – issue and Post – issue Management process. (10 Marks) |

8 CASE STUDY (Compulsory) :

Alpha Ltd is in the Business of Manufacturing Steel Utensils. The firm is planning to diversify and add a new product line, the firm either can buy the machinery or use the leasing.

The Machinery can be purchased for Rs 15 lakhs. It is expected to have useful life of 5 years with salvage value of Rs 1 lakh after the expiry of 5 years. The purchase can be financed by 20% loan repayable in 5 equal annual installment (inclusive of interest) becoming due at the end of each year.

Alternatively the machine can be taken on year end, lease rent of Rs 5,00,000 for 5 years. Recommend the Company after your analysis.

Assume :

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| a. The Company follows written down value method of depreciation @ of 25%.
b. Tax rate is 35%.
c. Lease rents are paid at the end of the year. | (20 Marks) |
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Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.