

Roll No.

Total No. of Questions : 14]

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MBA (Sem. - 3rd)

MANAGEMENT OF FINANCIAL SERVICES

SUBJECT CODE : MBA - 922 (2012 Batch)

Paper ID : [C1176]

Time : 03 Hours

Maximum Marks : 60

Instruction to Candidates:

- 1) Section - A consists of 6 questions carrying 5 marks each. The students has to Attempt any 4 questions.
- 2) Section - B consist of 4 subsections. Each subsection consists of 2 questions of 8 marks each. It is compulsory to attempt one question from each subsection.
- 3) Section - C consist of one case study of 8 marks.

Section - A

- Q1)** What is the role of rematerialisation?
Q2) What are the limitations of venture capital?
Q3) How financial products differ from physical products?
Q4) Define financial leasing.
Q5) Define credit rating.
Q6) What do you mean by mutual fund agencies?

Section - B

Sub-Section-I

- Q7)** What do you mean by financial services? Discuss in detail types and importance of financial services in India in the era of globalization.
Q8) What is the process of switching over to depository system? Discuss in detail SEBI regulations of depository system in INDIA.

Sub-Section-II

- Q9)** Discuss in detail concept, origin, constitution and growth of mutual funds in India. What are latest scheme commonly used in the current scenario?
Q10) What are functions of international credit rating agencies? Discuss in detail procedure used by credit rating agencies for rating debt instrument of various organization.

Sub-Section-III

- Q11)** What do you mean by merchant banking? Discuss in detail origin, scope and advantage of merchant banking.
Q12) Describe the concept of venture capital. What is the current scenario of venture capital in India?

Sub-Section-IV

- Q13)** Define debt securitization. Discuss in detail scope, process and current scenario of securitization in India.

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Q14) Write down the following:

- a) Types of factoring
- b) Pros and cons of plastic money.

Section - C

From the following information construct profit and loss account of ABC Co Ltd after hiring factoring services and explain how this is beneficial to ABC.

- a) The average receivables of the firm are equal to 2 months sale.
- b) All sales are on credit basis.
- c) Cost of goods sold is equal to 60% of sales.
- d) Administration costs (which includes credit department expenses of Rs. 1,00,000) and selling costs are assumed to be Rs. 4,00,000 and Rs 8,00,000 respectively.
- e) The bad debts loss percentage is 5% of gross value of sales.
- f) The factor charges 2% commission on gross value of sales.
- g) The interest charged by the factor as well as by other financial institutions on advances is assumed at 18% per annum.
- h) The margin money is 10%.
- i) Material cost is saved by 2.5% on account of lower prices, trade discount, cash discount etc. profit and loss account of ABC Co. Ltd (before factoring)

	Rs		Rs
To material cost	18,00,000	By sales	60,00,000
To labour cost	10,00,000		
To factory expenses	8,00,000		
To gross profit	24,00,000		
Total	60,00,000	Total	60,00,000
To administrative expenses	3,00,000	By gross profit	24,00,000
To credit dept. expenses	1,00,000		
To selling expenses	8,00,000		
To bad debts	3,00,000		
To interest on loan	1,80,000		
To net profit	7,20,000		
Total	24,00,000	Total	24,00,000

