Roll No. | | | | | | | | | | | | **Total No. of Pages : 03**

Total No. of Questions : 15

MBA (2012 & Onward) (Sem.–3)

MANAGEMENT OF FINANCIAL SERVICES

Subject Code : MBA-922

Paper ID : [C1176]

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTION TO CANDIDATES :

1. **SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.**
2. **SECTIONS-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.**
3. **SECTION-C is COMPULSORY and consist of ONE Case Study carrying EIGHT marks.**

SECTION-A

1. What is the role of dematerialization?

2. What are the limitations of plastic money?

3. How financial lease differs from operating lease?

4. Define merchant banking.

5. Define depository system.

6. What do you mean by mutual fund agencies?

SECTION-B

UNIT-I

7. What do you mean by financial services? Discuss in detail types and importance of financial services in India in the era of globalization.

8. How does stock trading settlement happen in a demat environment? Outline the steps for selling and buying transactions.

UNIT-II

9. Discuss in detail concept, origin, constitution and growth of mutual funds in India. What are the broad parameters of operational efficiency for mutual funds?

10. What are functions of credit rating agencies? Discuss in detail procedure used by credit rating agencies for rating debt instrument of various organization. What are the major factors governing the rating framework of credit rating agencies around the world.

UNIT-III

11. What do you mean by Merchant Banking? Discuss in detail origin, scope and advantage of merchant banking. How the merchant bankers useful as a source of relief to sick industries?

12. Describe the concept of venture capital. What is the current scenario of venture capital in India? Discuss the SEBI regulation (2000) pertaining to (registration of foreign venture capital investors).

UNIT-IV

13. Define debt securitization. Discuss in detail scope, process and current scenario of securitization in India. How is a developed capital market helpful for securitization?

14. Write down the following :

    A. Types of factoring

    B. Pros and cons of plastic money.

SECTION-C

15. 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.

    1) The average receivable of the firm are equal to 2 months sale.

    2) All sales are on credit basis.

    3) Cost of goods sold is equal to 60% of sales

    4) Administrations costs (Which includes credit department expenses of Rs. 1,00,000) and selling costs are assumed to be Rs. 400,000 and Rs. 8,00,000 respectively.

5) The bad debts loss percentage is 5% of gross value of sales.

6) The factor charges 2% commission on gross value of sales.

7) The interest changed by the factor as well as by other financial institutions on advances is assumed at 18% per annum.

8) The margin money is 10%.

9) 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	60,000
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**