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

Total No. of Questions : 17

MBA (2018 Batch) (Sem.–3)

MANAGEMENT OF FINANCIAL SERVICES

Subject Code : MBA-912-18

M.Code : 76897

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

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A contains EIGHT questions carrying TWO marks each and students has to attempt ALL questions.**
2. **SECTION-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 consists of ONE Case Study carrying TWELVE marks.**

SECTION-A

Write briefly :

1) What is Reinsurance?
2) Write a note on mutual funds in India.
3) Define Capital Adequacy Ratio.
4) Explain the difference between hire purchase and leasing.
5) What do you meant by Factoring?
6) What are the objectives of credit rating?
7) Define the term corporate treasury management.
8) What are the limitations of Plastic money?

SECTION-B

UNIT-I

9) What do you mean by financial services? Enumerate the different types of financial services available in India.
10) What do you understand by dematerialization and Re materialization? Discuss in detail the role and functions of SEBI and its guidelines relating to depository system in India.

UNIT-II

11) What do you mean by Merchant Banking? Discuss in detail the origin, scope and advantage of merchant banking.

12) Describe the concept of venture capital. What is the current scenario of venture capital in India? Discuss in detail the SEBI guidelines for venture capital in India.

UNIT-III

13) Describe the concept and types of credit cards. Discuss in detail the credit process followed by credit card organizations and factors affecting utilization of credit cards.

14) Define Debt Securitization. Discuss in detail the scope and process of securitzation in India.

UNIT-IV

15) Define the concept of Asset Liability Management. Explain in detail the process and techniques of Asset Liability Management.

16) Write a short note on :

    a) Credit risk management

    b) Operational risk management

    c) Liquidity risk management

    d) Market risk management

SECTION-C

17) Case study :

Teddy Bear Limited is in the business of making toys of different ranges. Presently, Teddy Bear has one manufacturing plant having production capacity of 30,00,000 toys annually. They are sold through registered dealers in India who take delivery of toys directly from the factory situated in Noida. Teddy Bear does not incur any transport cost.

The demand for toys has shown tremendous growth in recent years. The Vice President, marketing, Sanjay Khanna, has submitted a proposal to the CEO, Bikrant Kumar Singh, to expand the production capacity of Teddy Bear to 40,00,000 toys. The CEO directs the Vice President, Manufacturing, Virender Kumar Rathi, to put a proposal regarding the availability of the required equipment for the expansion of the plant. A survey shows that the machinery is available for Rs.12.5 Crore having a useful life of five years and no salvage value. Assume straight line depreciation for tax purposes. It also shows that there are two alternatives to finance the proposal. The equipment can be bought and financed by borrowing from the Udarwala Financial Services Limited at 10 per cent interest. The equipment can be alternatively taken on lease from the First Leasing Company of India Limited at Rs. 3.5 Crore annual lease rental. The first leasing would bear the associated taxes, insurance and maintenance cost amounting to Rs. 60,000 annually.

Question :

a) Bikrant Singh engages you as a financial consultant to advise him on the choice of the funding alternative .What will you do analyse this problem?

b) On the basis of your analysis, should Teddy Bear buy the equipment through borrowing or acquire it on lease?

c) What advice would you give and why? Assume 30 per cent corporate tax.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.