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Total No. of Pages : 02

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** carrying **EIGHT** marks.

**SECTION-A**

1. What is the role of dematerialization?
2. What are the limitations of plastic money?
3. What do you mean by custodian?
4. Who is lead manager?
5. Define depository system.
6. What do you mean by mutual fund agencies?

**SECTION-B**

**UNIT-I**

7. What are various objective and functions performed by SEBI in India? Discuss in detail SEBI regulations of depository system in India.
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, growth of mutual funds in India. What are the broad parameters of operational efficiency for mutual funds? What are latest scheme commonly used in the current scenario?
10. Discuss in detail process, methodology and factor affecting credit rating and its procedural aspects in India. What are the benefits and limitations of credit rating?

### UNIT-III

11. What do you mean by merchant banking? Discuss in detail origin, scope and advantage of merchant banking. Discuss in detail organizational pattern of merchant Banking.
12. For a lease payment of Rs. 1,00,000 for a period of 5 years, what should be the lease rental if rate of depreciation is 40% on diminishing balance and the lessor expect pretax rate of return 25%. Tax rate is 40% for the lessor?

### 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. Describe the concept and types of credit cards. Discuss in detail credit process followed by the credit card organizations and factor affecting utilization of credit cards.

### 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 receivables 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) 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.
  - 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 charged 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	60,00,000
To labour cost	10,00,000		
To factory expenses	8,00,000		
To gross profit	24,00,000		
<b>Total</b>	<b>60,00,000</b>	<b>Total</b>	<b>60,00,000</b>
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		
<b>Total</b>	<b>24,00,000</b>	<b>Total</b>	<b>24,00,000</b>