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Roll No.				Total No. of Pages: 0

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.
- 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 SEBI in financial market?
- 2. What are the limitations of venture capital?
- 3. How financial products differ from physical products?
- 4. Define forfaiting.
- 5. Define Credit Card.
- 6. What do you mean by asset management companies?

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. What do you mean by dematerialization and rematerialization? State the corporate benefit made available by a demat account. What is the nomination procedure relating to demated securities?

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UNIT-II

9. Discuss in detail concept, origin, constitution and management and growth of mutual funds in India.

Discuss the regulatory framework for mutual funds in India.

10. What do you mean by the term credit rating? Discuss in detail the factors that have contributed to the growth of the credit rating system worldwide. 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. What are the code of conduct observed by Indian merchant banker?
- 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 types, process and current scenario of securitization in India.

How does securitization cause financial disintermediation?

- 14. Write down the following:
 - a. Stages of investment of venture capital.
 - 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 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.

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- 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		
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		5
To selling expenses	8,00,000	00.	
To bad debts	3,00,000	9.4	
To interest on loan	1,80,000		
To net profit	7,20,000		
Total	24,00,000	Total	24,00,000

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