

Subject Code: MB937

MBA III Semester [R09] Regular Examinations, November 2010

Financial Institutions and Services

Time: 3 Hours

Max Marks: 60

Answer any FIVE questions All questions carry EQUAL marks,

Question No: 8 is compulsory

1. What do you understand by financial system? Discuss the various components of a Developed financial system.
2. Discuss the role played by IDBI in accelerating industrial growth in India.
3. Define Commercial Banks. What are the various functions of Commercial Banks?
4. What are Commercial Papers? What are the various features and advantages of Commercial Papers?
5. Discuss the nature and scope of insurance. What is the rationale for opening up Of the Insurance sector to private sector
6. Define the term venture capital. Explain the various stages of venture capital Financing.
7. Discuss the role played by SEBI in regulating primary and secondary market.

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8. A firm is considering engaging the services of a factor. The company furnishes you
Following details for the same. You are requested to advise the company.

Annual sales	Rs.50, 00,000
Credit Sales	90%
Average collection period	60 days
Bad debt loss	2% on credit sales
Total annual cost of in house credit	
Administration	Rs.2, 00,000
Cost of credit administration that can be saved,	
If receivables are factored	Rs.60, 000
Factoring commission	1.5%
Interest charged by factor	14%
Reserve maintained by factor	8%
Assume 360 days in a year	