

Code: BA3T7F

**II MBA - I Semester – Regular/Supplementary Examinations
DECEMBER 2017**

FINANCIAL MARKETS AND SERVICES

Duration: 3 hours

Max. Marks: 70 M

SECTION-A

1. Answer any FIVE of the following: 5 x 2 = 10 M

- a) Financial Markets
- b) SEBI
- c) SFC'S
- d) Venture Capital
- e) Merchant Banking
- f) Primary Market
- g) Credit rating agencies
- h) Capital Market

SECTION – B

Answer the following: 5 x 10 = 50 M

2. a) Explain about the Indian Financial System.

(OR)

b) Explain about Factors affecting the stability of the Financial System.

3. a) Explain efficiency and the structure of the Insurance Industry.

(OR)

b) Write about the various Pension Plans in India.

4. a) Write the Difference between the Hire Purchase Finance, Lease Finance and Housing Finance.

(OR)

b) Explain about the Different Types of Credit Rating Agencies.

5. a) Explain about the Nature and Scope of Merchant Banking.

(OR)

b) What are the regulations that SEBI has taken in Primary and Secondary Markets?

6. a) Explain different non banking financial institutions.

(OR)

b) Explain about the Indian Insurance Industry.

SECTION – C

7. Case Study

1 x 10 = 10 M

A Firm furnishes you the following details:

Total credit sales Rs 75,00,000 p.a

Average credit period is 60 days

Estimated bad debts losses is 1% of credit sales

Current spending on credit administration is Rs 1,00,000 p.a

The firm is planning to approach a factor in order to finance its credit sales. The factor charges 2% of commission and make an advance at the interest of 17% retaining 10% as reserve. If the cost of a similar source of short-term funds in the market is 18%, advise the firm whether to go for the factoring option (or) not. Set up year calculations assuming 360 days in a year.