

2018

MBA

3rd Semester Examination

FINANCIAL SERVICES

(Specialisation : Financial Management)

PAPER—F-302

Subject Code—09

Full Marks : 100

Time : 3 Hours

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

1. Answer any *eight* questions from the following : 8×5

- (a) What are the general problems faced by financial services firms in India ?
- (b) Distinguish between financial lease and operating lease.

(Turn Over)

- (c) What are the factors considered by venture capitalists while evaluating new project ?
- (d) What does 'investment nurturing' mean ? What are its objectives ?
- (e) Write short notes on "Money Market Mutual Fund".
- (f) Discuss the features of financial.
- (g) Why should small investors prefer mutual funds to direct investment in the stock market ?
- (h) Write a short note on 'Portfolio Management Services' as an important function of a Merchant Banker.
- (i) What do you mean by Recourse Factoring ? How does it differ from the Non-Recourse Factoring ?
- (j) Discuss the significance of Micro-insurance in the Indian context.
- (k) Discuss the advantages of lease financing.
- (l) What role can merchant banks play in corporate restructuring ?

2. Answer any *four* questions from the following : 4×10
- (a) (i) What do you mean by Factoring Services? Briefly discuss the benefits of Factoring Services.
- (ii) Briefly discuss the different costs associated with forfeiting services. (2+4)+4
- (b) (i) Briefly discuss the role of credit rating in the industrial development of a country.
- (ii) Briefly discuss the credit rating process of CRISIL. 5+5
- (c) Discuss the guidelines of IRDA on unit linked insurance product. 10
- (d) (i) What are the essential areas to be covered by a VCU to write a business plan for Venture Capital?
- (ii) How we determine the value of a Venture Capital Undertakings (VCU) by considering Conventional Venture Capitalist Valuation Method? 6+4

- (e) (i) Explain the nature of meaning of merchant banking services.
- (ii) Discuss the role of merchant banks in the promotion and development of industry in a country. 4+6
- (f) Given the following data, rank the mutual funds by using (i) Sharpe Index and (ii) Treynor's Measure. The risk-free rate of return is 9 per cent.

Fund	Average Annual Return (%)	Standard deviation (%)	Correlation with market
A	22	14	0.70
B	14	10	0.65
C	28	20	0.45
D	10	8	0.80
Market Portfolio	10	8	

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[Internal Assessment : 20 Marks]