

2018

MBA

3rd Semester Examination

FINANCIAL SERVICES

(Specialisation : Financial Management)

PAPER—F-302/306

Full Marks : 100

Time : 3 Hours

The figures in the right-hand margin indicate full marks.

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

Illustrate the answers wherever necessary.

Answer all the questions.

1. Answer any *eight* questions : 8×5

- (a) What are the general problems faced by financial services firms in India ?

(Turn Over)

- (b) Distinguish between financial lease and operating lease.
- (c) What are the factors considered by venture capitalist while evaluating new project ?
- (d) Briefly discuss the important functions of a formal financial system.
- (e) Briefly discuss the various types of financial services with suitable examples.
- (f) What are the important features of Venture Capital Financing ?
- (g) Briefly discuss the important roles played by IRDA for economic development of the country.
- (h) Discuss the economic aspects of lease financing.
- (i) Briefly discuss the role of credit rating in the industrial development of a country.
- (j) Write short notes on "Money Market Mutual Fund" and "Exchange Traded Mutual Fund".
- (k) Write a short note on 'Portfolio Management Services' as an important function of a Merchant Banker.

2. Answer any four questions :

4×10

- (a) (i) What is reinsurance ? State the different types of reinsurance.
- (ii) Briefly discuss the role of insurance in economic growth of a country. 6+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) (i) Explain the nature and meaning of merchant banking services.
- (ii) Discuss the role of merchant banks in the promotion and development of industry in a country. 4+6
- (d) (i) Discuss the various stages of Venture Capital Financing.
- (ii) How we determine the value of a Venture Capital Institution by considering Conventional Venture Capitalist Valuation Method ? 6+4
- (e) (i) Two securities having similar rating are not identical they only in similar risk class. Illustrate the statement.

(ii) Write a short note on CRISIL.

- (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 8 per cent.

<i>Fund</i>	<i>Average Annual Return (%)</i>	<i>Standard Deviation (%)</i>	<i>Correlation with market</i>
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]