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Third Semester MBA Degree Examination, Dec.2019/Jan.2020 Banking & Financial Services

Time: 3 hrs.

Max. Marks: 100

**Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
2. Question No. 8 is compulsory.**

- 1 a. Define Universal Banking. (03 Marks)
b. Define Merchant Banker? What are the services provided by Merchant Banker? (07 Marks)
c. Explain the functions of commercial banks. (10 Marks)
- 2 a. Define Depository system. (03 Marks)
b. Differentiate between Leasing and Hire purchase. (07 Marks)
c. Explain quantitative and qualitative measures of credit control. (10 Marks)
- 3 a. Define Private placement. (03 Marks)
b. Explain venture capital process. (07 Marks)
c. Explain the functions of RBI. (10 Marks)
- 4 a. Define NEFT and RTGS. (03 Marks)
b. Define Micro Finance. Explain its challenges. (07 Marks)
c. What are mutual funds? Explain its types. (10 Marks)
- 5 a. Define NSDL. (03 Marks)
b. Define factoring. Explain its types. (07 Marks)
c. Define credit rating. Explain its process. (10 Marks)
- 6 a. Define Forfeiting. (03 Marks)
b. Define securitization. What are its benefits? (07 Marks)
c. Define NBFC's. Explain types of NBFC's. (10 Marks)
- 7 a. Define underwriting. (03 Marks)
b. Explain types of lease. (07 Marks)
c. Explain the role of commercial banks in socio economic development. (10 Marks)
- 8 **Case Study : Compulsory**

ABC machine tool company limited in considering the acquisition of a large equipment to set up its factory in a backward region for Rs.12,00,000. The equipment is expected to have an economic useful life of 08 years. The equipment can be financed either with an 08 year term loan at 14% interest repayable in equal installments of Rs.2,58,676 per year or by an equivalent amount of lease rent per year. In both cases, payments are due at the end of the year. The equipment is subject to straight line method of depreciation for tax purposes. Assuming no salvage value after the 08 years useful life and 50% tax rate, which of the financing alternative should it select? (20 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.