

CBCS SCHEME

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20MBAFM305

Third Semester MBA Degree Examination, Jan./Feb. 2023 Banking and Financial Services

Time: 3 hrs.

Max. Marks:100

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

- 1 a. Define Banking. (03 Marks)
b. Explain the different types of Banks. (07 Marks)
c. Explain the functions of Commercial Banks. (10 Marks)
- 2 a. Define MICR. (03 Marks)
b. List out the benefits of Internet Banking. (07 Marks)
c. Explain the role of RBI as regulator of Banking System. (10 Marks)
- 3 a. What does "NEFT" and "RTGS" stands for? (03 Marks)
b. What are the benefits of credit rating? (07 Marks)
c. Explain the stages of Securitization. (10 Marks)
- 4 a. What is leveraged lease? (03 Marks)
b. What are the types of Underwriting? (07 Marks)
c. Differentiate between leasing and hire purchase. (10 Marks)
- 5 a. What is microfinance? (03 Marks)
b. Explain the types of NBFC. (07 Marks)
c. Explain the pre-issue obligations. (10 Marks)
- 6 a. Define hire purchase. (03 Marks)
b. Briefly explain types of lease. (07 Marks)
c. List out the various categories of Merchant Banker's and requirements for granting regulation certification to Merchant Bankers. (10 Marks)
- 7 a. What is CRISIL? (03 Marks)
b. Discuss the credit rating agencies in India? (07 Marks)
c. Explain the process of credit rating of financial instruments? (10 Marks)

8 Case Study (Compulsory) :

Visha Ltd. is considering the lease of an equipment which has a purchase price of Rs. 3,50,000. The equipment has an estimated economics life of 5 years with a value zero. As per the income-tax rules, a written down depreciation @ 25% is allowed. The lease rentals per year are Rs.1,20,000. Assume that the company's corporate tax rate is 50%. If the before-tax rate of borrowing for the company is 16% should the company lease the equipment?

Note : P.V. of Rs. 1 for 5 years are

Year	1	2	3	4	5
P.V. @ 8%	0.9259	0.8573	0.7938	0.7350	0.6806
P.V. @ 16%	0.8621	0.7432	0.6407	0.5523	0.4761

(20 Marks)

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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.