

MBA II Year Examination
MP 502 – Financial Services

Time: 3 Hours

Max. Marks: 80

Note: The question paper is divided into three sections A, B & C. Write Answers as per the given instructions.

Section A
(Very Short Answer Type Questions)

Note: Answers all 8 questions. As per the nature of the questions you delimit your answer in one sentence up to 50 words. Each question carries equal marks. (Marks 2x8=16)

1. What do you understand by financial system ?
2. What is stable money ?
3. What do you mean by debt asset ?
4. Define capital market.
5. Give two names of borrowers who are included in money market.
6. Define financial Intermediaries.
7. Write the name of three main groups of the banking system in relation to financial system.
8. What do you mean by non-bank financial intermediary ?
9. Write the full name of KYC.
10. Write two main objectives of a Merchant Banking Company.
11. Define portfolio management.
12. What do you mean by bought out deals ?
13. What do you understand by fund based financial services ?
14. What is the fee based financial service.
15. What are included in the securities related financial services ?
16. Define saving Account.
17. What do you mean by current Account ?
18. What do you understand by Real Finer Gross Settlement ?
19. Define insurance.
20. Who are insurance agents ?
21. Who are insurance intermediaries ?
22. What is venture capital fund ?
23. Define seed capital.
24. What do you understand by start up financing ?
25. What do you mean by Open Ended Funds ?
26. What is meant by Close Ended Funds ?
27. Define Growth Funds.
28. What is Housing Finance.

29. What do you mean by Bridged Loans ?
30. What are Balance Transfer Loans ?
31. Define Credit Cards.
32. What do you understand by Debit Cards ?
33. What is meant by Smart Cards ?
34. Define Consumer Finance.
35. What is Revolving Credit ?
36. What do you mean by unsecured Finance ?
37. Who are Credit Enhancer ?
38. What is Special Purpose Vehicle ?
39. What do you understand by Qualified Institutional Buyers ?
40. What is Recourse Factoring ?
41. What do you understand by Conventional Factoring ?
42. Define Limited Factoring.
43. Define Financial Lease.
44. Define Operating Lease.
45. Give an example of Financial Lease.
46. What do you know of 'ICRA' ?
47. What do you know of 'CRISIL' ?
48. What do you understand by Usance Bill ?

Section B

(Short Answer Type Questions)

Answer any 4 questions. Each answer should not exceed 100 words. Each question carries 08 marks. (Marks 8x4 = 32)

1. State the significance of financial system.
2. Explain fee based services.
3. What purpose do capital market serve ?
4. What are the major functions of financial market ?
5. Write the limitations of Indian capital market .
6. Differentiate between capital market and money market.
7. What are basic services offered by the financial intermediaries ?
8. Explain the various types of financial intermediaries.
9. What do you mean by merchant banking ? Discuss its nature and objectives.
10. What are the obligations and responsibilities of merchant bank ?
11. State the important provision of code of conduct for merchant bankers.
12. What problems do merchant bankers face.
13. Explain KYC norms.
14. Distinguish between retail banking and corporate banking.
15. Explain the various electronic banking services provided by bank.
16. How does the structure of mutual funds protect the interest of unit holders in India.
17. Explain te SEBI guidelines on advisory services rendered by under writers in India.
18. What are major guidelines issued by SEBI with regard to venture capital funds ?
19. What are the administrative powers of the chairperson of the IRDA.
20. What are the sums credited to IRDA fund ?
21. Write the composition of the IRDA.
22. What are the features of venture capital financing ?
23. Discuss the importance of venture capital.
24. List the advantages of mutual funds.
25. List the disadvantages of mutual funds.
26. Write a short notes on performance of a mutual funds.
27. Explain the importance of Housing Loan.
28. Write a short note on documentation of housing loan.
29. What are the properties of plastic money ?
30. Write a short note on smart card.
31. Write a short note on Debit card.
32. Write a short note on Credit card.
33. Explain the various types of credit facilities available to a consumer.

34. Explain the factors affecting demand for consumer finance.
35. State the arguments in favour of consumer finance.
36. State the arguments in against of consumer finance.
37. List the name of parties involved in securitisation.
38. What are the different types of securitised debts.
39. Explain the nature of factoring.
40. What are the advantages of factoring.
41. Give the limitations of factoring.
42. Explain the mechanism of factoring.
43. What are the benefits of leasing ?
44. Distinguish between financial lease and operating lease.
45. Explain the lease structure.
46. What is importance of credit rating.
47. What are the objectives of credit rating.
48. Explain the advantages of bill discounting.

Section C

(Long Answer Type Questions)

Answer any 2 questions. Each answer should not exceed 800 words. Each question carries 16 marks. (Marks 2x16=32)

1. What are the major weaknesses the Indian Financial System.
2. Explain the Indian Financial System in detail.
3. Define financial system. Discuss the objectives and significance of a financial system.
4. What are the factors that would go into deciding whether a company should resort to debt or equity for financing its requirement of long-term funds.
5. Define money market. What are the features of Indian money market. Explain the various functions of money market.
6. Define capital market and explain its functions. Write down the difference between capital market and money market.
7. Explain the concept of financial system. What are the different types of financial intermediaries. Discuss the potential problems to financial intermediaries.
8. What is financial intermediaries. Give examples of financial intermediaries. Discuss the benefits of financial intermediaries.
9. What a note on evolution of Non-Banking Financial Companies.
10. What is the scope of rural banking in India.
11. Write a short note on :
 - (a) National Electronic Fund transfer.
 - (b) Letter of credit
 - (c) E cheque
 - (d) Offshore Banking.
12. Explain the role of SEBI in regulating Merchant Banking operations in India.
13. Who is a lead manager ? Explain its duties, liabilities and responsibilities in detail.
14. What do you mean by Merchant Banking. Discuss its nature, scope and objectives.
15. What are the regulations made by SEBI regarding rating of securities by different agencies in India.
16. What is the need of underwriting of new issues ? Explain briefly the SEBI guidelines on advisory services rendered by underwriters in India.
17. "Insurance is a process in which uncertainties are made certain" Discuss the statement and explain the importance of insurance.
18. Define the term 'Insurance'. Describe the various kinds of insurance.
19. Explain the principles of insurance in detail.
20. Discuss briefly the various methods available for a venture capital to exit from investee company.
21. What is venture capital ? Discuss its features, scope and various types.
22. Explain the various stages involved in venture capital financing. Also discuss the rationale for

venture capital financing.

23. How are venture capital proposal analysed ? Explain.
24. Explain the factors to be considered while carrying out the 'financial analysis' of venture capital proposal.
25. Define mutual fund. What are the different types of mutual funds ?
26. What do you mean by mutual fund ? Explain its advantages and disadvantages.
27. How can one evaluate the performance of a mutual fund ? Explain.
28. Discuss the housing financing framework in India.
29. Define housing finance. Give its importance and explain the process of housing finance in detail.
30. What are the types of housing loan available in Indian housing finance market ? Explain.
31. Explain the term 'Plastic Money'. Discuss the emergency of plastic cards and the properties they carry to their holders.
32. Detail the process of settlement of the plastic money.
33. What do you understand by 'Debit card' and 'Credit card'. Mention the difference between debit card and credit card.
34. How will you evaluate credit worthiness of a consumer. Explain various formulas in this regard.
35. Define consumer finance. Discuss various sources of consumer finance in detail.
36. What are the different types of consumer finance ? Explain the different modes by which the consumer finance is extended.
37. Define the securitisation of debt. What assets can be securitised. Explain the benefits of securitisation.
38. Describe the process of securitisation and parties involved in a securitisation process.
39. Define the term 'Factoring'. State the benefits of factoring to different parties.
40. What is the impact of factoring on Balance Sheet ? Discuss with the help an example.
41. Distinguish between factoring and forfeiting. Discuss the problem areas in factoring and forfeiting.
42. State the mechanism involved in a factoring transaction. What steps are taken by the buyer, the seller and the factor to complete a factoring transaction ?
43. Define the conceptual aspect of leasing. Describe leasing in India.
44. What is leasing ? Explain its nature, elements and risk involved in leasing.
45. What do you understand by Credit rating ? Explain methodology adopted by the various credit rating agencies in India to rate various securities.
46. Write a detailed note on the importance of credit rating and discuss its nature.
47. What is Bill of Exchange ? Explain different types of bills.
48. Explain the reasons for non development of bill market in India.