

Code No: MB1644/R16

MBA IV Semester Regular/ Supplementary Examinations, May-2019

FINANCIAL MARKETS AND SERVICES

Time: 3 Hours

Max. Marks: 60

*Answer Any FIVE Questions
All Questions Carry Equal Marks
Question No. 8 is Compulsory*

1. a Discuss the growth of financial services in India. 6M
b What are the various financial services available for a retail investor? Explain. 6M
2. a Explain the role of merchant bankers in Issue Management? 6M
b What are the functions of SEBI in merchant banking activities? 6M
3. a What are the financial sector reforms made in last one decade? 6M
b Explain secondary market operations in financial markets. 6M
4. a Outline the financing pattern under Venture capital. 6M
b Explain the various types of leases. 6M
5. a Discuss briefly about credit rating system of CRISIL. 6M
b Explain about Bill Discounting. 6M
6. a Explain sector specific mutual fund scheme and Systematic Investment Plan. 6M
b Discuss the progress various phases of Mutual funds in India. 6M
7. a Write the features and benefits of Demat account. 6M
b Discuss the role of NSDL. 6M

8. **CASE STUDY** 12M
- A firm can lease at Rs. 2,50,000 a machine for five years at Rs. 62,500. It can purchase the machine at Rs. 50,000 down payment and the balance in five equal payments at 10% interest. The firm qualifies for Rs. 20,000 tax credit in year zero if it preleased. The machine will be depreciated at straight line calculations to a book value of Rs. 50,000 at the end of the year five. The cash value at that time will be zero. The cost of debt is 10% and the cost of capital is 12%. Should machine be leased or owned?

Present value factor at 10%

Year	Factor
0	1.000
1	0.909
2	0.826
3	0.751
4	0.683
5	0.621

12% cost of capital factor is 0.567.
