

Code No: MB1644/R16

MBA IV Semester Regular/ Supplementary Examinations, October-2020

FINANCIAL MARKETS AND SERVICES

Time: 3 Hours

Max. Marks: 60

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

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| 1. a | Examine the financial structure in India. | 6M |
| b | Discuss the recent financial sector reforms in Indian financial system | 6M |
| 2. a | What are the regulatory frame works of financial services? | 6M |
| b | Explain the role of merchant banks in issue management. | 6M |
| 3. a | Discuss the financing pattern under venture capital. | 6M |
| b | What is leasing? Explain different types of leases. | 6M |
| 4. a | Describe the debt rating system of CARE. | 4M |
| b | Define factoring and explain the bill discounting in process in factoring. | 8M |
| 5. a | Explain the organization and management of mutual funds. | 7M |
| b | Discuss the concept and application of debt securitization. | 5M |
| 6. a | Write about listing formalities of stock exchanges. | 6M |
| b | Explain the responsibilities of merchant banker in issues. | 6M |
| 7. a | What do you mean by debt rating system of CRISIL? | 6M |
| b | Discuss the guidelines for mutual funds management. | 6M |

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8. CASE STUDY

12M

The Karvy Group is one of the leading trading platforms operating in India today. Founded in 1983, it grew out of Hyderabad to become a member of the National Stock Exchange of India and Bombay Stock Exchange. It consistently ranks amongst the top five stocks brokers in India.

The organization provides a vast platform for trading. It ensures safe trading by taking into account several risk factors and planning accordingly. This is supported by in-depth research, extensive feedback, sound advisory facilities and a highly skilled research team. Karvy's customers are given result-oriented information on market trends, market analysis and market predictions. These results are disseminated through a daily series of reports, allowing customers to be aware of market trends at any point in the day.

The company currently manages over 600,000 accounts. It has 25,000 investors visiting their global offices daily and executes more than 150,000 trades on the NSE and BSE. Hence Karvy's daily operations are extremely demanding. Apart from having to create the abovementioned reports, the organization's data centers must ensure that trading requests are promptly processed and delivered.

Karvy's primary reason for upgrading the way its data centers handled application traffic lay in its web-based online trading application(Karvy online), a customer facing application used primarily by brokers. "Karvy online is a customer facing application, which means that it is open for transactions round the clock", Sreenisasa Reddy Inukolly, General Manager, Technology, Karvy, explained. Application unavailability could potentially lead to customer dissatisfaction and possible loss of customers and revenue.

Furthermore, the company was not just interested in maintaining application availability, but it also wanted to improve the response time of OTA. "Karvy online is accessed by brokers throughout the course of an entire day. This makes it one of out most utilized applications. With our wide base of customers it is important that we provide the best response times to each and every one of them," Sreemovasa Reddy said. By lowering the response times of its applications, Karvy can increase the value of its services to its customers, gaining an edge over the market competition.

Karvy's previous network infrastructure was not able to optimize these two processes. As Karvy online was a secure application, Karvy's servers had to perform SSL offloads, which was a resource draining process. In terms of load balancing, the organization was using traditional methods of load balancing based on DNS protocols. Unfortunately, these methods made the network configuration and management complex and tie consuming, and was not providing the results thy needed. "we wanted to provide transparent load balancing and failover from the end user perspective, something which our old network could not do,"

Question:

Identify the challenges are faced by Karvy's and provide the solutions for overcome the challenges?