



JP – 697

4.
III Semester M.B.A. (Day/Evening) Examination, May/June 2023
(Freshers) (CBCS) (2022 – 23 and Onwards)
MANAGEMENT

Paper – 3.3.2/3.7.3 : Indian Financial Systems

Time : 3 Hours



Max. Marks : 70

SECTION – A

Answer **any five** of the following questions. **Each** question carries **5** marks. **(5×5=25)**

1. List the features of Indian Financial System.
2. Explain the objectives and functions of Industrial Development Bank of India.
3. Differentiate between Banking and Non-Banking Financial Institutions.
4. What is primary market ? Explain its functions.
5. Differentiate between fixed price and book building method of pricing securities.
6. Discuss the advantages and disadvantages of listing of securities.
7. Discuss the causes of price fluctuations of securities in the stock market.

SECTION – B

Answer **any three** questions. **Each** question carries **ten** marks. **(3×10=30)**

8. Give a detailed account of various types of mutual funds available in the Indian market.
9. Discuss the factors to be considered to apply to an I.P.O. in the primary market.
10. Discuss the different types of financial services.
11. What is credit rating ? Discuss the methodology followed in credit rating agencies while rating securities.

P.T.O.



SECTION – C

Compulsory question.**(1×15=15)**

12. A firm has a choice of buying a piece of equipment at a cost of Rs. 10,00,000 with borrowed funds at a cost of 18% p.a. repayable in five annual instalments of Rs. 3,20,000 or to take on lease the same on an annual rental of Rs. 3,20,000. The Firm is in the tax bracket of 40%.

Assume :

- i) The salvage value of the equipment at the end of the period is zero.
- ii) The firm uses straight line method of depreciation.
- iii) Discount factors are

@9%	0.917	0.842	0.772	0.708	0.650
@11%	0.901	0.812	0.731	0.659	0.593
@18%	0.847	0.718	0.609	0.516	0.437

Which alternative do you recommend ?
