



PG - 713



7
III Semester M.B.A. (Day & Eve.) Examination, June/July 2024
(CBCS) (2022 – 23)
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. Discuss briefly about the overview of global financial system.
2. Examine the role of State Financial Corporations in promoting Small Scale Industries in India.
3. Define NBFC. Explain the principal business of NBFC.
4. Explain different types of fund based financial services offered by financial institutions.
5. Discuss the pre-issue activities of a merchant banker.
6. What is credit rating ? What are the advantages and disadvantages of credit rating ?
7. Discuss the various money market instruments.

SECTION – B

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

8. Discuss in detail the constituents of Indian Financial System.
9. Discuss the various functions of merchant banking.
10. Describe the role and functions of stock exchange.
11. Give a detailed account of the mutual fund schemes offered by some of the leading mutual fund companies in India.

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SECTION – C

12. Compulsory Question.

(1×15=15)

SD Ltd. wants to purchase a machine worth ₹ 25,00,000. It has two options-either :

- i) to acquire the asset by taking a bank loan @ 12% p.a. repayable in 5 yearly instalments of ₹ 5,00,000 each plus interest or
- ii) to lease the asset at yearly rental of ₹ 7,00,000 for 5 years.

In both the cases, the instalment is payable at the end of the year.

The company discounts its cash flows @ 14% (after tax).

Depreciation is to be taken at 20% on Written Down Value Method.

The company's tax rate is 34%.

You are required to advise which of the financing options is to be exercised and reason there of.

Year	1	2	3	4	5	Total
PV Factor @ 14%	0.877	0.769	0.675	0.592	0.519	3.432

Show amount to the nearest rupee.
