

MBA III Semester Supplementary Examinations May 2018
FINANCIAL INSTITUTIONS, MARKETS & SERVICES
(For students admitted in 2014, 2015 & 2016 only)

Time: 3 hours

Max. Marks: 60

PART – A

(Answer the following: (05 X 10 = 50 Marks))

- 1 Explain the structure of financial system.
OR
- 2 Discuss the functions of RBI.
OR
- 3 Define NBFC. Explain different types of NBFCs.
OR
- 4 Discuss various types of mutual funds.
OR
- 5 What is IPO? Explain the process of issuing IPO.
OR
- 6 Discuss the role of SEBI.
OR
- 7 Define leasing. What are the different types of lease contracts?
OR
- 8 Define venture capital. Explain financing process under venture capital.
OR
- 9 What is credit rating? Explain its process.
OR
- 10 What is depository? Discuss the role of depository services.

PART – B

(Compulsory question, 01 X 10 = 10 Marks)

11 Case Study:

The following facts relate to a lease proposal before Ambica Leasing Ltd (ALL).

The initial cost of equipment to be leased out is Rs.300 lakh.

Life time of lease is 5 years.

Salvage value is estimated to be Rs.33 lakh.

The other costs associated with the lease proposal payable in advance (front-ended) are Rs.3 lakh.

Direct cost and management fee is Rs.5 lakh.

The cost of funds to the ALL is 14 percent. Tax rate is 35 percent.

Questions:

- (a) What is the break-even rental for ALL if the tax relevant rate of depreciation is 25 percent?
