

Code No: MB1644/R16**MBA IV- Semester Regular Examinations, April-2018**
FINANCIAL MARKETS AND SERVICES

TIME: 3 hrs

Max. Marks: 60

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

1. a) "There is a close nexus between financial system and economic development". – Comment?
b) Explain the role of SEBI in the Indian Financial System?
2. a) Explain how a merchant Banking functions?
b) Discuss the post –issue obligations of merchant bankers in India?
3. a) Describe the legal aspects and guidelines relating to Venture capital financing in India?
b) What are the guidelines for venture Capital?
4. a) Explain the debt rating system in India.
b) Briefly discuss about the factoring mechanism followed in India.
5. a) Define Mutual fund? What are the types of Mutual fund schemes?
b) Write about the organization and Management of Mutual funds in India?
6. a) Explain the differences between Primary market and Secondary market?
b) Discuss the various methods of raising capital in the secondary market?
7. a) What is the concept of debt securitization?
b) Explain the role of NSDL in De-mat services.
8. Case Study (compulsory):

A small firm has total credit sales of Rs. 90 lakh, and its average collection period is 90 days. Past experience indicate that the bad debt losses are around 1 percent of credit sales. The firm spends around Rs.1, 20,000 per annum on administering its credit sales. This cost includes salaries of one officer and two clerks who handle credit checking, collection etc. Besides, it also incurs telephone and telex charges, which are avoidable costs. A factor is prepared to buy the firm's receivables, with a charge of 2 percent commission. The factor will also pay advance against receivables to the firm at an interest rate of 18 percent after with holding 10 percent as reserve.

- i) What should the firm do? Assume 360 days in a year and the current rate of bank interest is 16 percent per annum.
