



PG – 692

III Semester M.B.A. (Day) Examination, January 2013
(2007 – 08 Scheme)
MANAGEMENT

F – 2 : Financial Markets and Intermediaries

Time : 3 Hours

Max. Marks : 75

SECTION – A

1. Answer any six of the following. Each one carries 2 marks. (6x2=12)
- Define Monetary policy.
 - What is rudimentary finance ?
 - What are the limitations of co-operative banks ?
 - What is Margin trading ?
 - What is private placement ?
 - What is operating lease ?
 - What is Debt syndication ?
 - What is Treasury bill ?

SECTION – B

Answer any three of the following questions. Each question carries 8 marks. (3x8=24)

- "Commercial banks are special among the intermediaries for the development of the economy". Justify.
- Explain the structure of insurance industry in India.
- What are the advantages and limitations of investment through mutual funds ?
- Discuss about the different types of NBFC's and their main activities.
- Describe the various corporate advisory services of Merchant bankers.

P.T.O.



SECTION - C

Answer **any two** of the following questions. **Each** question carries **12** marks. (2x12=24)

7. Discuss the book building process for initial public offerings.
8. Elucidate the functions and structure of financial markets in India.
9. Explain the mechanism of factoring. How does it differ from forfeiting?

SECTION - D

10. Case study.

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Alfa Ltd. is thinking of installing a computer. Decide whether the computer is to be purchased outright through 15 % borrowing or to be acquired on lease rental basis. The rate of income tax may be taken at 40 %. The other data available are as under :

Purchase of a computer :

Purchase price : Rs. 20,00,000

Annual maintenance (to be paid in advance) : Rs. 50,000 per year

Expected economic life : 6 years

Depreciation (for tax purpose) : straight line method

Salvage value : Rs. 2,00,000

Leasing of computer :

Lease charges to be paid in advance : Rs. 4,50,000 maintenance expenses to be borne by lessor.