

Code: 14E00308

MBA III Semester Regular & Supplementary Examinations November/December 2016

FINANCIAL INSTITUTIONS, MARKETS & SERVICES

(For students admitted in 2014 & 2015 only)

Time: 3 hours

Max. Marks: 60

PART - A

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

- 1 Explain the elements of financial system. How are they related to economic development of a country?
OR
- 2 Discuss the role of central bank in monitoring financial system.
- 3 What is banking innovation? Explain some recent banking innovations.
OR
- 4 Discuss the role of IRDA in detail..
- 5 Discuss the structure and functions of Indian capital markets.
OR
- 6 Explain the functions of stock exchanges in detail.
- 7 Differentiate fund based financial services from fee based financial services. Explain the scope of financial services.
OR
- 8 What is lease financing? Explain different types of lease agreements.
- 9 Define merchant banking. What are the functions of merchant bankers? Discuss.
OR
- 10 Explain different types of depository services.

PART - B

(Compulsory question, 01 X 10 = 10 Marks)

- 11 **Case study:**
Cost of machinery Rs. 20,00,000.
Cost of debt 14%; Tax 50%
Lease rents 4,00,000 per year. Lease period 6 years.
Salvage value Rs. 2,00,000
Depreciation method: Straight line method.
Loan is paid yearly at Rs. 5,14,271.
You are required to advise the company as to whether it should purchase the machinery or acquire it on lease.
