

**Code: 14E00308**

MBA III Semester Regular Examinations January 2016  
**FINANCIAL INSTITUTIONS, MARKETS & SERVICES**  
(For students admitted in 2014 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

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**SECTION – A**

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

- 1 Explain the role of financial system in the economic development of India.  
**OR**
- 2 Critically examine the monetary policy of the RBI.  
**OR**
- 3 Explain the structure and performance of public and private sector banks in India.  
**OR**
- 4 Discuss the present state of the mutual funds in India and outline the causes for their slow growth.  
**OR**
- 5 Distinguish between primary and secondary markets. Discuss various methods of floating new issues.  
**OR**
- 6 Discuss the structure and constituents of Indian money market.  
**OR**
- 7 What is venture capital? Discuss the features and stages of venture capital financing.  
**OR**
- 8 Describe the funding pattern and tax treatment of HFCs in India.  
**OR**
- 9 What is credit rating? Explain the functions and benefits of credit rating.  
**OR**
- 10 "The scope for merchant banking is great in India". Discuss.

**SECTION – B**

(Compulsory Question)

01 X 10 = 10 Marks

**11 Case study:**

A company is considering to lease an equipment which has a purchase price of 15,00,000. The equipment has an estimated useful life of 10 years. As per the tax rules a written down depreciation at 20% is allowed. The lease rentals per annum are Rs.3,50,000. The companies marginal tax rate is 33%. If the before tax borrowing rate for the company is 12%.

Questions:

- (a) Should the company lease the equipments?

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