Roll No…….. **Total No. of Printed Pages: 2**
Total No. of Questions: [10]

MBA (Semester – 4th)
MANAGEMENT OF FINANCIAL SERVICES
Subject Code: MBADD1422
Paper ID: 20260154

Time: 03 Hours **Maximum Marks: 60**

Instruction for candidates:

1. Section A consists of 10 compulsory short notes of two marks each.
2. Section B consists of Four Units (Unit – I, II, III & IV). Each unit contains two questions of 8 marks each. Student has to attempt one question from each unit.
3. Section C (8 Marks): A short Case Study related to the syllabus.

Section – A **(2 marks each)**

Q1. Attempt the following:

a. Depository
b. Re-materialisation
c. NAV calculation formula
d. Underwriting
e. IPO Vs FPO
f. ADR Vs GDR
g. Leasing Vs Hire purchase
h. Name of three credit rating agencies
i. Seed capital
j. Forfeiting

Section – B **(8 marks each)**

UNIT-I

Q2. Discuss the functions NSDL and CSDL in stock broking services.

Q3. Discuss the classification of various mutual fund schemes.

UNIT-II

Q4. Discuss SEBI guidelines related to merchant banking.

Q5. 'Merchant Bankers are neither are neither merchants nor bankers.' Elaborate the work of merchant bankers in light of the above statement.

UNIT-III

Q6. Discuss the advantages to both lessor and lessee by entering a lease agreement.

Q7. What are the different types of factoring? Bring out their importance to the parties involved.

UNIT-IV

Q8. Discuss the benefits and risks involved in securitization.

Q9. What are the various modes of financing available to a venture capitalist.

Section – C **(8 marks)**

Q10. Case Study:

Finance is like Oil to the Engine of the Indian Economy

As finance is the grease and the oil that keeps the engine of any economy running, the BFSI (Banking, Financial services and Insurance) sector assumes importance in this context. While the post-independence era witnessed many large private banks that were either family or community run as well as some government owned banks, the nationalization of the banking sector in 1969 and the early 1970s meant that the government was the prime mover as far as banking and finance was concerned.

The situation of government ownership of banks continued well into the 1990s when the first wave of liberalization ensured that banks were now allowed to be privately owned. While multinational banks were always privately owned, most Indian banks were government owned or owned in a quasi-governmental manner.

Even after liberalization, the RBI or the Reserve Bank of India proceeded cautiously as far as private ownership of the BFSI sector was concerned. However, this did not deter many firms such as the NBFCs or the Non-Banking Financial Companies from operating and indeed, flouting the rules thereby leading to periodic bouts of crises.

Becoming World Class in their Practices and Dealing with Crises

Now, the BFSI sector in India is in a position where it can compete with its peers abroad and elsewhere mainly due to the pioneering efforts of the first wave of post liberalization banks such as HDFC and ICICI. No wonder that the Indian BFSI sector has become a dream job destination for millions of graduates in the technical and managerial institutes.

Having said that, at present, the BFSI sector in India is in crisis due to its profligate lending practices during the boom years of the first decade of the 21st century. Indeed, concomitant with the growth of the Indian Economy and the blistering pace of capacity addition as well as booming industries, the banks and financial institutions threw caution to the winds and engaged in indiscriminate lending without doing their due diligence.

For instance, during the heydays of growth between 2000 and 2008, banks, and financial institutions in India lent to just about anybody and the GFC or the Global Financial Crisis of 2008 resulted in such debts turning bad.

However, it is to the credit of the then ruling dispensation that the 2008 crisis and the global bust did not have major impacts on the Indian BFSI sector due to adequate oversight and regulation by the government in tandem with the RBI.

Having said that, some experts believe that what they did was to merely “kick the can down the road” without solving the problem and this in turn led to the ballooning of the NPAs or the Non-Performing Assets to such an extent that at the moment, absent massive recapitalization, the Indian BFSI sector would be in major trouble soon.

The BFSI sector is a top priority for India's economic development. Some reasons for this include:

- Rising per capita income
- New products
- Technological innovation
- Expanding distribution
- Networking
- Increasing customer awareness of financial products

Question: Perform SWOT analysis of Indian BFSI sector in light of the above paragraphs.