Q.P. Code : 61323

M.P. Birla Institute of Management LIBRARY

Third Semester M.B.A. (Day) Degree Examination, February/March 2020

(CBCS)

Management

Paper 3.3.1/3.7.3 – INDIAN FINANCIAL SYSTEM

Time : 3 Hours] *[Max. Marks : 70*

SECTION – A

Answer any **FIVE** of the following questions. Each question carries **5** marks : **(5 × 5 = 25)**

1. Discuss the role of financial system on the economic development of the Country.
2. Explain the need and objectives of establishing the EXIM Bank in India.
3. Discuss the structure and principal business of NBFC's in India.
4. What are financial markets? Explain the broad categories of financial markets.
5. What are the advantages of credit rating?
6. Explain the structure of insurance industry in India.
7. Discuss the market participants of secondary market.

SECTION – B

Answer any **THREE** of the following questions. Each question carries **10** marks : **(3 × 10 = 30)**

8. What are the objectives of Money markets? Explain the sub-markets operating in a typical money market.
9. Give a detailed account of various types of mutual funds available in the Indian Market.
10. Describe the features and constituents of Indian financial system.
11. Discuss the regulatory framework of stock exchanges in India.

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SECTION – C

12. Answer this question **Compulsory**: **(1 × 15 = 15)**

ABC Ltd is considering the purchase of Super Delux bus worth Rs. 50lakhs. It is expected to generate an income of 60lakhs as per year over its economic life period of five years. The expected savage value is Rs.7.5lakhs. The cost other than depreciation is Rs. 30lakhs per year. The company follows straight line method of depreciation. The tax rate is 50%. The cost of capital is 12%. Easy leasing company offers super delux buses on lease, for five year lease, the rate is 1.25% per month. The lease rent should be paid in advance. The assumed present value interest factor is 14% Advise the company whether to purchase or to go for a lease.

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