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CBCS SCHEME

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20MBAFM305

Third Semester MBA Degree Examination, Jan./Feb. 2023
Banking and Financial Services

Time: 3 hrs. Max. Marks:100

Note: ***1. Answer any FOUR full questions from Q.No.1 to 7.***
2. Q.No. 8 is compulsory.

1 a. Define Banking. **(03 Marks)**
b. Explain the different types of Banks. **(07 Marks)**
c. Explain the functions of Commercial Banks. **(10 Marks)**

2 a. Define MICR. **(03 Marks)**
b. List out the benefits of Internet Banking. **(07 Marks)**
c. Explain the role of RBI as regulator of Banking System. **(10 Marks)**

3 a. What does "NEFT" and "RTGS" stands for? **(03 Marks)**
b. What are the benefits of credit rating? **(07 Marks)**
c. Explain the stages of Securitization. **(10 Marks)**

4 a. What is leveraged lease? **(03 Marks)**
b. What are the types of Underwriting? **(07 Marks)**
c. Differentiate between leasing and hire purchase. **(10 Marks)**

5 a. What is microfinance? **(03 Marks)**
b. Explain the types of NBFC. **(07 Marks)**
c. Explain the pre-issue obligations. **(10 Marks)**

6 a. Define hire purchase. **(03 Marks)**
b. Briefly explain types of lease. **(07 Marks)**
c. List out the various categories of Merchant Banker's and requirements for granting regulation certification to Merchant Bankers. **(10 Marks)**

7 a. What is CRISIL? **(03 Marks)**
b. Discuss the credit rating agencies in India? **(07 Marks)**
c. Explain the process of credit rating of financial instruments? **(10 Marks)**

8 Case Study (Compulsory) :
Visha Ltd. is considering the lease of an equipment which has a purchase price of Rs. 3,50,000. The equipment has an estimated economics life of 5 years with a value zero. As per the income-tax rules, a written down depreciation @ 25% is allowed. The lease rentals per year are Rs.1,20,000. Assume that the company's corporate tax rate is 50%. If the before-tax rate of borrowing for the company is 16% should the company lease the equipment?
Note : P.V. of Rs. 1 for 5 years are

Year	1	2	3	4	5
P.V. @ 8%	0.9259	0.8573	0.7938	0.7350	0.6806
P.V. @ 16%	0.8621	0.7432	0.6407	0.5523	0.4761

(20 Marks)

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Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.

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