



# CBCS SCHEME

18MBAFM301

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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 Underwriting. (03 Marks)  
b. Define Merchant Banker. Explain the services provided by Merchant Banker. (07 Marks)  
c. Explain quantitative and qualitative measures of credit control. (10 Marks)
- 2 a. Define Universal Banking. (03 Marks)  
b. Differentiate between leasing and hire purchase. (07 Marks)  
c. Define Micro Finance. Explain its challenges. (10 Marks)
- 3 a. Define private placement. (03 Marks)  
b. Explain the process of venture capital. (07 Marks)  
c. Explain the functions of commercial banks. (10 Marks)
- 4 a. Define cheque Truncation. (03 Marks)  
b. Define securitization. What are its benefits? (07 Marks)  
c. Explain the role of commercial banks in socio economic development. (10 Marks)
- 5 a. Define mutual funds. (03 Marks)  
b. Explain types of lease. (07 Marks)  
c. Define NBFC's. Explain types of NBFC's. (10 Marks)
- 6 a. Define core Banking. (03 Marks)  
b. Distinguish between factoring and forfeiting. (07 Marks)  
c. Explain depository services in India. (10 Marks)
- 7 a. Define Debit and Credit card. (03 Marks)  
b. Explain Credit Rating Methodology. (07 Marks)  
c. Explain the functions of RBI. (10 Marks)

### CASE STUDY

- 8 ABC Ltd. is considering the lease of an equipment which has a purchase price of Rs.3,50,000. The equipment has an estimated economic life of 5 years with a value zero. As per the income-tax rules, a written down depreciation at 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: Present value of Rs.1 and 5 years.

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.