

Seat No. \_\_\_\_\_

Enrolment No. \_\_\_\_\_

**GUJARAT TECHNOLOGICAL UNIVERSITY**

**M.B.A. Sem. – III - Examination –June- 2011**

**Subject Code : 830202**

**Subject Name : Management of Financial Services**

**Date:11/06/2011**

**Time: 02.30 pm – 05.30 pm**

**Total Marks: 70**

**Instructions :**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**

Q.1 (a) Discuss post Narsinhman Committee (One) reforms taken place in financial markets in India. **(07)**

(b) Discuss the main functions and role of Reserve Bank of India. **(07)**

Q.2 (a) A has total sales of Rs. 3.20 crores and its average collection period is 90 days. Past experience indicates that bad debt losses are 1.5% on sales. The expenditure incurred by the firm in administering its receivables collection efforts are Rs. 5,00,000. A factor is prepared to buy the firms receivables by charging 2% commission. The factor will pay advance on receivables to the firm after with holding interest @ 18% p.a. and 10% on reserve. **(07)**

Calculate effective cost of factoring to the firm. (Assume number of days in year as 360. Also assume that bad debts will be borne by factor)

(b) Explain 'Repos' and 'Reserve Repos'. **(07)**

**OR**

(b) Explain eligibility norms of SEBI for bringing IPO (Initial Public Offer) **(07)**

Q.3 (a) Briefly discuss the various functions performed by merchant banker. **(07)**

(b) Discuss advantages of lease to the lessee. **(07)**

**OR**

Q.3 (a) Define commercial bills. Briefly discuss advantages of bill discounting. **(07)**

(b) What are the benefits of credit rating to Investors. **(07)**

Q.4 (a) Explain in detail commercial paper alongwith regulatory guidelines. **(07)**

(b) Briefly state the advantages of investing through mutual funds to the investors. **(07)**

**OR**

- (a) Briefly explain code of conduct for brokers as specified by SEBI. (07)
  - (b) Explain basic features of short selling and securities lending and borrowing scheme. (07)
- Q.5
- (a) Explain the concept of 'Reverse Mortgage'. (07)
  - (b) Explain the provisions of SEBI for exercising 'Green shoe option'. (07)

**OR**

- (a) Explain the stages of venture capital financing including Due Diligence and Exist routes. (07)
- (b) Briefly explain 'Reverse Book Building'. (07)

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