

GUJARAT TECHNOLOGICAL UNIVERSITY
M.B.A.- SEMESTER – III • EXAMINATION – WINTER 2012

Subject code: 2830202**Date: 27-12-2012****Subject Name: Management of Financial Service****Time: 10:30 pm – 01:30 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) Define 'Mutual Fund' as per SEBI. Describe Index Funds and Exchange Traded Funds. **07**

(b) 'IRDA is the resultant constitution of recommendations of R. N. Malhotra Committee Report, 1994.'- Justify. **07**

Q.2 (a) Explain Venture Capital. Discuss process of venture capital investment alongwith fiscal incentives for VC. **07**

(b) 'Repos are the tool in the hand of RBI for managing liquidity in the money market.' – Discuss. **07**

OR

(b) Discuss reforms in primary and secondary market in light of Harshad Mehta and Ketan Parekh scams. **07**

Q.3 (a) Describe an international factoring transaction with the help of a flowchart. 'An exporter can explore new markets with the help of international factoring'. – Discuss the statement giving the benefits of international factoring. **07**

(b) GLFL expects rate of return 24%(pre-tax) for five year non-cancellable lease. The annual lease rental would be stepped at 10 % over the period. Compute the lease rental per Rs. 1,000. **07**

OR

Q.3 (a) Define the term 'Depository.' Depict the structure of National Securities Depositories Ltd (NSDL) and discuss the services offered by NSDL to investors. **07**

(b) What is commercial paper? Explain regulatory guidelines of commercial paper. **07**

Q.4 (a) Explain Forfeiting with characteristics of forfeiting transaction. Discuss the growth of forfeiting in India quoting efforts of Indian institutions. **07**

(b) Skylab Co. Ltd. appointed Vora Finstock Ltd. as a merchant baker for its FPO of Rs. 20 crore. Guide Vora Finstock Ltd. about its obligations and responsibilities for IPO. **07**

OR

Q.4 (a) Define NPA. Discuss the basis of NPA classification in case of housing finance. **07**

(b) Explain fundamental principles of insurance. Discuss variety of Life and General Insurance products/policies of an insurance unit. **07**

Q.5 (a) What is Retail Banking? Discuss the products of the retail banking. **07**

(b) Explain Credit Rating. Discuss the rating methodology used by the rating agencies for Healthcare Institutions. **07**

OR

Q.5 (a) Explain Leasing and Hire-Purchase. Describe tax benefits of hire-purchase to the hire-purchaser and hire-vendor. **07**

(b) TNR Finance Ltd. discounts the bills of exchange at following rate: **07**
a. L/C-backed Bills @22% p.a.
b. Clean Bills @ 24% p.a.

Compute the effective rate of interest implicit for bill of Rs. 45,000, in the two types of bills assuming: (Assume number of days in a year is 360.)

- i. 60 days for the clean bill and
- ii. 90 days for the L/C-backed bill.
