

QP CODE: 25802199



Reg No : .....

Name : .....



**MBA DEGREE EXAMINATION, MAY 2025**

**Fourth Semester**

Faculty of Management Science

Master of Business Administration

**Elective - MB800408 - MANAGEMENT OF FINANCIAL SERVICES**

2019 Admission Onwards

37204418

Time: 3 Hours

Maximum Marks: 60

**Part A**

*Answer any five questions. Each question carries 2 marks.*

1. Differentiate between organised and unorganised banking sectors.
2. What is Merchant Banking?
3. Explain corporate counselling function of merchant bank.
4. What are balanced mutual fund?
5. What is deal origination in venture capital?
6. Differentiate Recourse factoring and non-recourse factoring.
7. Define insurance.

(5×2 = 10 Marks)

**Part B**

*Answer any five questions. Each question carries 6 marks.*

8. Explain the characteristics of financial assets.
9. Explain the concept of securitisation and its development in india.
10. Explain the reasons for and the benefits of undertaking securitization. Describe and assess the various types of credit enhancement.
11. Describe the classification of mutual fund schemes based on different criteria. What purpose(s) do they serve?
12. What are various venture capital funding firms operating in India?





13. Differentiate between factoring and bill discounting. What are the advantages of bill finance in India?
14. Differentiate between life insurance and fire insurance.

(5×6 = 30 Marks)

### Part C

Answer any **two** questions. Each question carries **10** marks.

Question number 17 is compulsory .

15. Describe the various services provided by the Merchant Bankers. Explain the code of conduct for merchant bankers in India. Also make a critical comment on its appropriateness.
16. Analyse the role played by Venture capital financing in financial services market.

#### Compulsory Question

17. A Limited Company is contemplating to have an access to a machine for a period of 5 years. The company can have the use of machine for the stipulated period through leasing arrangement or the requisite amount can be borrowed at 14% to buy the machine. The firm is in the 50% tax bracket.

In the case of leasing, the firm would be required to pay at the end of year lease rent of Rs 1, 20,000 for 5 years. All maintenance, insurance and other costs are to be borne by the lessee.

In the case of purchase of machine ( which costs Rs 3,43,300), the firm would have 14% five year loan to be paid in equal instalments, each instalment become due at the end of each year. The machine would be depreciated on a straight line basis, with no salvage value.

Advise the company which option should it go for, assuming lease rents are paid (a) at the end of the year (b) in advance.

(2×10 = 20 Marks)

