

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA - SEMESTER-III • EXAMINATION – SUMMER • 2014**

**Subject Code: 2830202****Date: 31-05-2014****Subject Name: Management of Financial Services (MFS)****Time: 14:30 pm – 17:30 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 various systemic, banking and capital market reforms introduced by government after 1991. **07**
- (b)** Discuss in detail the functions and role of money market. **07**
- Q.2 (a)** What is Merchant Banking? Discuss the role and important functions played by it. **07**
- (b)** From the following particulars calculate the effective interest p.a. as well as total cost of funds to AB Ltd. which planning the issue of Commercial Paper. **07**
- Issue Price of CP – Rs. 98,250  
 Face Value – Rs. 1,00,000  
 Maturity Period – 3 months  
 Issue Expenses:
- Brokerage – 0.125% for 3 months  
 Rating charges – 0.5% p.a.  
 Stamp duty – 0.125% for 3 months
- OR**
- (b)** Describe the role and important functions of Reserve Bank of India. **07**
- Q.3 (a)** What is Venture Capital? State the various factors considered by Venture Capitalists while evaluating a proposal. **07**
- (b)** Explain the concept of Depository. Also discuss its important functions. **07**
- OR**
- Q.3 (a)** What do you understand by 'Leasing'? State its advantages and disadvantages to a corporate which wants this funding option. **07**
- (b)** What is Factoring? State its advantages and disadvantages. **07**
- Q.4 (a)** Define Securitization. Discuss the benefits of securitization to various stakeholders and also point out its limitations. **07**
- (b)** What is NBFC? Explain the various important services offered by this important intermediary. **07**
- OR**
- Q.4 (a)** What is the role of Mutual Funds in the economy? Discuss different types of Mutual Funds. **07**
- (b)** Explain the various eligibility criteria prescribed by SEBI for Initial Public Offering. **07**
- Q.5 (a)** Explain Credit Rating, its benefits to investors, company and other stakeholders. **07**
- (b)** What are Pre issue and post issue obligations of Merchant banker. **07**
- OR**
- Q.5 (a)** Explain the functions of Brokers and sub brokers in Capital Market. **07**
- (b)** Explain the role of Insurance Regulatory Authority in India. Also explain Risk Management in Insurance sector. **07**

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