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## Third Semester MBA Degree Examination, July/August 2022 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 Banking. (03 Marks)  
b. What is "Commercial Bank"? Explain the structure of Commercial Banks. (07 Marks)  
c. Explain the role of Reserve Bank of India as a regulator of banking system. (10 Marks)
- 2 a. Distinguish between NEFT and RTGS. (03 Marks)  
b. What are the different types of credit card? Explain. (07 Marks)  
c. Discuss the role of commercial banks in Socio-Economic development. (10 Marks)
- 3 a. What is NBFCs? (03 Marks)  
b. Discuss the functions and role of NBFCs. (07 Marks)  
c. Explain the various services rendered by merchant banks. (10 Marks)
- 4 a. Define Merchant Banker. (03 Marks)  
b. Discuss the steps involved in pre and post issue management. (07 Marks)  
c. Explain the advantages and disadvantages of leasing. (10 Marks)
- 5 a. What is private placement? (03 Marks)  
b. Explain the process of credit rating of financial instruments. (07 Marks)  
c. Differentiate between factoring and forfeiting. (10 Marks)
- 6 a. Name the different types of venture capital financing. (03 Marks)  
b. What are the rules of the underwriters? Mention advantages of underwritings. (07 Marks)  
c. What is venture capital? Explain its features. (10 Marks)
- 7 a. What is credit rating? (03 Marks)  
b. What are the functions of NSDL and CDSL? (07 Marks)  
c. Discuss functions and types of mutual funds. (10 Marks)

### CASE STUDY

- 8 Beta Ltd. is thinking of installing a computer. Decide whether the computer is to be purchased outright (through 14% borrowings) or to be acquired on lease rental basis. The company is in 50% tax bracket. The other data available are:
- Purchase of computer:  
Purchase price = Rs.20,00,000/-  
Annual maintenance (to be paid in advance) Rs.50,000 per year  
Expected economic useful life = 6 years  
Depreciation for tax purpose = SLM  
Salvage value = Rs.2,00,000/-
- Leasing of computer:  
Lease charge (to be paid in advance) = Rs.4,50,000  
Maintenance expense to be borne by lessor. Payment of loan 5 year ended equal installment of Rs.5,14,271/- (20 Marks)

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