



**III Semester M.B.A. Examination, May 2022**  
**(CBCS 2014 – 15 Scheme)**  
**MANAGEMENT**  
**Paper – 3.3.1 : Indian Financial System**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

Answer **any five** questions, **each** carries **5** marks.

**(5×5=25)**

1. Explain the different types of mutual funds.
2. Bring out the features of Indian Financial System.
3. Explain the role and function of stock market.
4. Elucidate the concept of Merchant Banking.
5. Explain the different types of leasing.
6. Explain the functions of State Financial Corporation.
7. Explain the role of NBFCs in Indian economy.

**SECTION – B**

Answer **any three** questions, **each** carries **10** marks.

**(10×3=30)**

8. What is money market ? Explain the different types of money market instruments.
9. Explain in brief the importance and relevance of credit rating of financial instruments.
10. Explain in detail the classification of financial services.
11. Explain the RBI measures for NBFCs.

**SECTION – C**

**Compulsory** question.

**(15×1=15)**

12. ABC Ltd. need to acquire the use of a earth mover for their business and are considering buying or leasing a crane. The crane costs Rs. 30,00,000 and is subject to the straight line method of depreciation to a zero salvage value at the end of 7 years. In contrast, the lease rent is Rs. 5,00,000 per year to be paid in advance each year for 5 years. ABC Ltd. can raise debt at 18% in equal installments, each installment due at the beginning of the year. The company is in the 50% tax bracket. Should it lease or buy the crane ?