



**III Semester M.B.A. Degree Examination, May/June 2023**  
**(CBCS Scheme)**  
**MANAGEMENT**  
**Indian Financial System**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

Answer **any five** questions, **each** carries **5** marks. **(5×5=25)**

1. Discuss the structure and principal business of NBFCs.
2. Analyze the advantages of Credit Rating.
3. Discuss the market participants of secondary market.
4. What is capital market ? Explain the different instruments of Capital Market.
5. Discuss the role of Financial System in the development of a particular country.
6. Explain the different types of leasing with examples.
7. What are the indicators of liquidity of Commercial Banks ?

**SECTION – B**

Answer **any three** questions, **each** carries **10** marks. **(10×3=30)**

8. Discuss in detail the different Money Market Instruments.
9. Discuss the structure and present status of Insurance Sector in India.
10. Give a detailed account of the different mutual funds available in India.
11. Distinguish between Banking Financial Institutions and Non-Banking Financial Institutions.

P.T.O.



## SECTION – C

12. **Compulsory question.****(15×1=15)**

## Case Study.

Arya Ltd. is in the business of manufacturing steel utensils. The firm is planning to add a new product line. The firm can either buy the required machinery or get it on lease. The machine can be purchased for Rs. 4,45,000 having a life of 5 years and a salvage value Rs. 45,000. The purchase can be financed by 14% loan repayable in equal annual installments inclusive of interest becoming due at the end of each year. Alternately the machine can be taken for a lease rental of Rs. 1,00,000 for 5 years. Depreciation to be calculated on straight line method. Tax @ 50%. Advise the company regarding the option it should opt for.