

## Paper : M.C. 207 B : FINANCIAL SERVICES

(Only for USOL Candidates)

Time Allowed : Three Hours

Maximum Marks : 80

Note : Students are required to answer five questions in all, selecting at least one question from each unit. Each question carries equal marks.

### UNIT-I

1. (a) Critically examine the structure and performance of the Indian Financial System. 8  
(b) 'Stock Exchanges are the barometers of the economy'. Critically examine the functioning of the stock exchanges in India. 8
2. (a) What is SEBI ? Discuss its functions, objectives and powers. 8  
(b) Define financial services. Discuss about its characteristics, distinctiveness and classification. 8
3. 'Financial institutions are not merely middlemen; they are principals, both for lenders of funds and borrowers of funds'. Define financial intermediation and comment on its advantages and disadvantages from the investors and the borrowers angle based on the Indian experience. 16

## UNIT—II

4. (a) Define merchant banking and enumerate the services offered by merchant bankers in India. 8  
(b) Critically evaluate the SEBI guidelines with regard to merchant banking. 8
5. (a) What are the pre-issue and post-issue obligations of lead managers? 8  
(b) Examine the functions of the depository system. 8

## UNIT-III

6. (a) Distinguish between financial lease and operating lease. 8  
(b) How can a lease be evaluated by using various financial evaluation methods? 8
7. What is factoring? Explain the factoring mechanism. Also discuss the need and importance of factoring with special reference to India. 16

## UNIT-IV

8. (a) What is credit rating? Discuss the role of credit rating in the industrial development of country. 8  
(b) Briefly explain the methodology adopted by credit rating agencies in India. 8
9. “Mutual funds provide stability to share prices, safety to investors and resources to prospective entrepreneurs”. Discuss with examples. 16
10. Write short notes on any four of the following :  
(a) Financial intermediation and disintermediation  
(b) Corporate Restructuring  
(c) Venture Capital  
(d) Bill Discounting and Rediscounting  
(e) Hire Purchase System  
(f) Net Asset Value. 16