

AT-1452

**M.B.A. Semester—IV Examination**  
**MANAGEMENT OF FINANCIAL SERVICES**  
**Paper—MBA/4104/CGF**

Time : Three Hours]

[Maximum Marks : 70

- Note :—**(1) Attempt **ALL** questions.  
(2) Figures to the right indicate marks.  
(3) Annuity table, scientific calculator allowed.

**SECTION—A**

1. (a) What are the major financial intermediaries in India ? Also discuss the rationale for financial intermediaries. 14

**OR**

- (b) Explain the structure of regulatory framework of financial services in India. 14

**SECTION—B**

2. (a) Give an account of the various activities of issue management. 7  
(b) How will you handle the allocation procedure if an unlisted company is going in for an “offer for sale”. 7

**OR**

- (c) What is reverse book buildings ? What are its features ? 7  
(d) As a Corporate financial advisor list down the various financial instruments available to the company for borrowing and advise the company as to choice. 7  
3. (a) State the general obligations and responsibilities of a Merchant Banker. 7  
(b) “There are 3 major methods of assessing a risk-adjusted performance”, how do you as a mutual fund advisor clarify to the customer ? 7

**OR**

- (c) Briefly explain the factors that have contributed to the growth of the credit rating system. 7  
(d) How do you explain a Common man the role of IRDA in the Indian Insurance Service Sector ? 7

**SECTION—C**

4. (a) Explain the mechanism involved in the asset securitization process. 7  
(b) Discuss the major issues confronting housing finance in India. 7

**OR**

- (c) What are the advantages and disadvantages of leasing. 7  
(d) Identify the different ways of determining the rate of interest under the hire purchase finance arrangement. 7

**SECTION—D**

5. A firm is considering engaging the services of a factor in order to be able to be relieved substantially from the risk and botheration akin to in — house credit management. You have been asked to examine the firm's request in this regard. The company furnishes you following details for the same :

Annual Sales	Rs. 50,00,000
Credit Sales	90%
Average Collection Period	60 days
Bad debt loss	2% on Credit Sales
Cost of Credit administration that can be saved if receivables are factored	60,000
Total Cost (annual) of in — house Credit Administration	2,00,000
Factoring Commission	1.50%
Interest charged by factor	14%
Reserve maintained by factor	8%
Assume 360 days in a year.	14