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**III Semester M.B.A. Degree Examination, March - 2021****MANAGEMENT****Indian Financial System****(CBCS Scheme 2014-15 Onwards)****Paprr : 3.3.1/3.7.3****Time : 3 Hours****Maximum Marks : 70****SECTION - A**Answer any **FIVE** questions. Each question carries **FIVE** marks. **(5×5=25)**

1. Explain the role of financial system on the economic development of the country.
2. Discuss the regulatory framework of Indian Stock exchanges.
3. Explain the role and functions of NBFCs in India.
4. Explain the need and scope of EXIM bank in India.
5. What is issue pricing? Explain the process of Book Building.
6. Explain the different schemes of mutual fund industry.
7. What is listing? Explain different steps in listing.

**SECTION - B**Answer any **THREE** questions. Each questions carries **10** marks. **(3×10=30)**

8. Explain the role and functions of Merchant Banking.
9. What are the various money market instruments, role of money market in the development of an economy?
10. Explain the mechanism involved in asset securitization process.
11. What is credit rating? Expalin the methodology used in credit rating system.

**SECTION - C**

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

ABC Ltd is considering the purchase of super Delux bus worth Rs. 50 lakhs. It is expected to generate an income of 60 Lakhs as per year over its economic life period of five years. The expected savage value is Rs. 7.5 lakhs. The cost other than depreciation is Rs. 30 Lakhs per year. The company follows straight line method of depreciation. The tax rate is 50%. The cost of capital is 12%. Easy leasing company offers super delux buses on lease, for five-year lease, the rate is 1.25% per month. The lease rent should be paid in advance. The assumed present value interest factor is 14%. Advise the company whether to purchase or to go for a lease.

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