

**Q.P. Code: 16MB728**

**R16**

**Reg. No:**

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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR  
(AUTONOMOUS)**

**MBA II Year III Semester (R16) Regular Examinations Nov/Dec 2017  
Financial Institutions, Markets and Services**

**Time: 3 hours**

**Max. Marks: 60**

**SECTION – A**

(Answer all Five Units 5 x 10 = 50 Marks)

**Q.P. Code: 16MB728****R16****UNIT-I**

- 1 a. Explain the functions of Indian Financial System. 5M  
 b. Categorize the various financial intermediaries functioning in the Indian Financial System and explain their features. 5M

**OR**

- 2 a. Explain the functions of RBI. 5M  
 b. Discuss the role of RBI in economic development in India. 5M

**UNIT-II**

- 3 a. How do you evaluate the performance of mutual funds? Will the process adopted for open ended schemes vary from that of closed ended schemes? Explain. 10M

**OR**

- 4 b. Explain the measures taken by RBI to restore the confidence of depositors in Indian banks during the period of demonetization. 10M

**UNIT-III**

- 5 a. Give the structure of Indian Money Market and point out its deficiencies. 5M  
 b. Compare certificates of deposit and commercial papers. 5M

**OR**

- 6 a. What do you mean by listing of securities? Explain the criteria for listing of securities. 5M  
 b. Explain how the listed securities are classified? 5M

**UNIT-IV**

- 7 a. Distinguish between hire purchase and lease. 5M  
 b. Explain different kinds of leasing. 5M

**OR**

- 8 a. Explain the different types of factoring and their significance. 5M  
 b. Explain the differences between 'invoice factoring' and 'full service factoring'. 5M

**UNIT-V**

- 9 a. Define 'merchant banker'. Explain the SEBI guidelines for merchant bankers. 10M

**OR**

- 10 a. What do you mean by investment banking? Explain the challenges faced by the investment bankers in India. 10M

**SECTION – B**

(Compulsory Question)

**1 x 10 = 10 Marks****11. Case Study**

Incorporated in 2010, Raju Dairy Ltd., is one of the leading manufacturers and marketers of dairy-based branded foods in India. In the initial years, its operations were restricted only to collection and distribution of milk. But, over the years it has gained a reasonable market share by offering a diverse range of dairy based products including fresh milk, flavored yogurt, ice creams, butter milk, cheese, ghee, milk powders, etc. In order to raise capital to finance its expansion plans, Rau Dairy Ltd. has decided to approach capital market through a mix of offer for sale of Rs.4 crore shares and a public issue of Rs.2 crore shares. In the context of the above case:

