



III Semester M.B.A. (Day and Eve.) Examination, May/June 2025
(CBCS) (2022 – 23 and Onwards)
MANAGEMENT

Paper – 3.3.2/3.7.3 : Indian Financial Systems
Equivalent to 3.3.1/3.7.3 : Indian Financial Systems (Old Scheme)

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer any five questions. Each question carries 5 marks. (5×5=25)

1. Explain the role of Financial System in the economic development of the country.
2. Discuss the objectives and functions of Industrial Financial Corporation of India.
3. Discuss the regulatory norms issued by RBI for NBFC's.
4. What is credit rating ? Explain its importance.
5. Discuss the changing trends in life insurance in India.
6. What is capital market ? Explain the functions of capital market.
7. Discuss the profile of Bombay Stock Exchange.

SECTION – B

Answer any three questions. Each question carries ten marks. (3×10=30)

8. What is Financial System ? Discuss the components of formal Indian Financial System.
9. What is money market ? Explain various money market instruments.
10. Discuss the different types of financial services offered by banking and non-banking financial institutions.
11. Discuss the pre-issue and post-issue activities of Merchant Banker.



SECTION – C

12. Compulsory Question.

(1×15=15)

DLP Pvt. Ltd. is considering the possibility of purchasing a multipurpose machine which cost Rs. 20 lakhs. The machine has an expected life of 5 years. The machine generates Rs. 12 lakhs per year before depreciation and tax, and the management wishes to dispose the machine at the end of 5 years which will fetch Rs. 2 lakhs. The depreciation allowable for the machine is 25% on written down value and the company's tax rate is 50%. The company approached a NBFC for a five year lease for financing the asset which quoted a rate of Rs. 56 per thousand per month.

The cost of capital of the company is 12% and for lease option it wants you to consider a discount rate of 16%. Evaluate the purchase option for the company.

Year	0	1	2	3	4	5
PV @ 12%	1.000	0.893	0.797	0.712	0.636	0.567
PV @ 16%	1.000	0.862	0.743	0.641	0.552	0.476