

3300 20/14/30/-

S-631

January 2018
Master of Business Administration (MBA) Examination

(Full Time) (New) Third Semester

FT-303F : FINANCIAL SYSTEMS AND SERVICES

Time 3 Hours]

[Max. Marks 80]

Note : Attempt any four questions from Section A. Each question carry equal marks.
Section B is compulsory and carries 20 marks.

Section A

1. Explain the significance of Financial Services and Instruments in Indian Financial System
2. (a) What is credit rating ? Explain the importance of credit rating. Also give a brief profile of CRISIL, ICRA and CARE.
(b) Explain the features of Indian Capital Market. What are the functions of Securities and Exchange Board of India (SEBI) ?
3. What are the salient features of venture capital ? What is its present position and future prospects in India ?
4. (a) Define Factoring. State and explain key advantages and limitations of factoring.
(b) Discuss the legal framework and tax advantages of Hire Purchase System. Also state key features of Hire Purchase System.
5. Define Securitization. Explain its modus operandi and bring out its advantages and disadvantages.
6. (a) What do you mean by Corporate Treasury Management ? Describe the major functions of a treasury manager.
(b) Discuss the importance of Asset Liability Management.

Section B

7. Read the case and answer the question given at the end of the case :

NEW PENSION SCHEME (NPS) IN INDIA

The NPS, which was introduced by the Central Government in January 2004 for its new entrants and subsequently extended to the private sector in May 2009, has accumulated a corpus of Rs 33,000 crore contributed by 50 lakhs subscribers. National Pension System (NPS) regulated by Pension Fund Regulatory and Development Authority (PFRDA) earned double digit returns of as much as 14.19 percent during 2012-13. The pension scheme for other than government employee with investment focus on corporate debt generated return of 14.19 percent while investment in government debt earned 13.52 percent. Pension scheme for Central Government earned a return of 2.39 percent while the scheme for State Government generated 13 percent. It is not only the cheapest retirement product but also as the highest returns generating scheme.

Last year PFRDA has issued revised guidelines for registration of pension fund managers to manage NPS for Private sector, under which eight Pension Fund Managers have been registered so far. The fund managers are SBI Pension Funds Pvt. Ltd., UTI Retirement Solutions Ltd., LIC Pension Fund Ltd., Kotak Mahindra Pension Fund Ltd., Reliance Capital Pension Fund Ltd., ICICI Prudential Pension Funds Management Ltd., HDFC Pension Management Co. Ltd. and DSP Black Rock Pension Fund Managers Pvt. Ltd. Pension Fund Managers are now allowed to prescribe their own fee subject to ceiling of 0.25 percent to enable an economically viable model for their operations. PFRDA also recently revised its investment guidelines, with a view to improve performance of pension fund managers by direct investment in equity and corporate debt and not through mutual funds etc.

Question :

In the light of above case, you are required to trace the growth prospects and analyze the features of New Pension Scheme.

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