

END SEMESTER EXAMINATION, MAY - 2026**M. B. A. Semester – IV****Paper Code: 542133****Subject Name: Financial Services****Subject Code: MBAF205****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully.**

Q.1		VERY SHORT ANSWER QUESTIONS – Attempt All.	(10x2 = 20 Marks)
a.	Define 'financial market' and distinguish between money market and capital market.		CO1
b.	Recall the meaning of 'systematic reforms' in the Indian financial system with one example.		CO1
c.	State the meaning of 'Gold ETF' and explain how it differs from physical gold investment.		CO1
d.	Define 'NBFC' and list any two services offered by Non-Banking Financial Companies.		CO1
e.	State the meaning of 'DP account' and 'Trading account' in the context of share dematerialisation.		CO1
f.	Recall any two services provided by market intermediaries in India's securities market.		CO1
g.	Define 'operating lease' and 'finance lease' and state one distinguishing feature.		CO1
h.	State the meaning of 'financial evaluation' in the context of lease financing.		CO2
i.	Define 'securitisation of debt' and state its primary benefit to the originator.		CO2
j.	Recall the meaning of 'pass-through certificate' and its role in securitisation.		CO2
Q.2		SHORT ANSWER QUESTIONS – Attempt any Five.	(5x4 = 20 Marks)
a.	Apply your knowledge of financial instruments to explain how government securities market reforms have improved liquidity and pricing efficiency in India.		CO3
b.	Illustrate the calculation of NAV for a mutual fund scheme with hypothetical figures, and explain how expense ratio affects investor returns.		CO3
c.	Apply the concept of credit rating to assess how a downgrade in a company's rating affects its ability to raise funds from the bond market.		CO3
d.	Apply your understanding of hire purchase to solve a problem involving total cost of hire purchase versus outright purchase, factoring in interest and depreciation.		CO3
e.	Analyse the advantages and limitations of dematerialisation for retail investors and explain how CDSL and NSDL ensure safety of securities.		CO4
f.	Analyse the regulatory norms prescribed by RBI for NBFCs and assess whether these norms are adequate to prevent systemic risk.		CO4
g.	Analyse how the special purpose vehicle (SPV) mechanism in securitisation isolates credit risk and benefits investors in asset-backed securities.		CO4
Q.3		STRUCTURED QUESTIONS – Attempt any Three.	(3x10 = 30 Marks)
a.	Examine the role of financial intermediaries in the Indian economy and evaluate how the post-liberalisation reforms transformed the structure and efficiency of financial markets.		CO4
b.	Evaluate the products and services offered by Housing Finance Companies in India. Assess the role of the National Housing Bank in regulating HFCs and promoting affordable housing finance.		CO4
c.	Examine the functioning of the depository system in India — including the roles of CDSL, NSDL, and depository participants. Critically evaluate how dematerialisation has reduced settlement risk and improved market integrity.		CO5
d.	Critically evaluate the process and methodology of credit rating for financial instruments in India. Assess the comparative approaches of ICRA, CRISIL, SMERA, and global agencies such as Moody's and Standard & Poor's.		CO5
Q.4		Case Analysis/ Situation Based QUESTIONS – Attempt any Two.	(2x15 = 30 Marks)
a.	An emerging fintech NBFC is seeking to expand its lending portfolio to include gold loans, vehicle finance, and microfinance. Critically evaluate the regulatory environment governing NBFCs in India, assess the RBI's directives and prudential norms applicable to this entity, and recommend a governance and compliance framework that ensures sustainable growth. Justify your recommendations.		CO5
b.	A mid-sized Indian IT company is planning to lease its office infrastructure rather than purchase it. Construct a financial analysis comparing operating lease, finance lease, and hire purchase options across a 5-year period. Critically evaluate the accounting treatment under Indian and international standards, assess the tax and depreciation implications, and recommend the most financially efficient strategy.		CO6
c.	Critically evaluate the securitisation mechanism as a tool for credit risk transfer in the Indian financial system. Assess the structure of asset-backed securities, the role of pass-through certificates, and the regulatory framework governing securitisation. Examine whether the lessons from the 2008 global financial crisis have been adequately incorporated into India's securitisation norms.		CO6
