

MBFM 3003 R/
MBGN 3003 R

M.B.A. DEGREE EXAMINATION,
MAY 2026.

Third Semester

Finance/General Management

**MERCHANT BANKING AND FINANCIAL
SERVICES**

(2023 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (5 × 4 = 20 marks)

Answer any FIVE questions.

1. What are the modern activities of the financial services sector?
2. Explain the recent challenges and opportunities of financial service sector.
3. State the process of Initial Public Offer through Book building.

4. Differentiate between the Factoring and Forfeiting.
5. Write short notes on Mortgage based securitization.
6. What are the advantages and disadvantages of venture capital?
7. Narrate the working mechanism of Asst Management Company.
8. List the types of pension plan for non-government employees.

PART B — (5 × 8 = 40 marks)

Answer any FIVE questions.

9. Critically analyse the problems faced in the financial services sector in India. State the suggestive measures to overcome it.

10. Describe the procedure involved in the issue of Indian Depository Receipts.
11. Explain the role of underwriters in the issuing process of Initial Public offer shares.
12. Elaborate the growth of institutions pursuing real estate finance schemes in India.
13. Illustrate the steps to be followed in the process of Asset Liability Management.
14. Elucidate the factors which should be considered before selecting a mutual fund.
15. Examine how to evaluate the performance of mutual funds.
16. Discuss the rating process and methodology of credit rating adopted by credit rating agency.

PART C — (1 × 15 = 15 marks)

Answer the following.

17. Case study: Compulsory

Mr. and Mrs. VISHWA had financial assets comprising a term deposit held with the bank for a number of years and Mr. VISHWA's company superannuation fund. Their other assets comprised their family home, contents and a car. Mr. VISHWA was employed on a wage of Rs. 35,000 per annum but was due to retire in the following year. Mrs. VISHWA earned income only from the term deposit investment which was held in her name and was shortly to qualify for the aged pension.

Mr. and Mrs. VISHWA approached their bank to seek the advice of a financial planner about how they could arrange their financial arrangements to allow Mrs. VISHWA to qualify for the maximum aged pension and maximise their income. After a meeting with

the bank's planner, he provided advice that Mrs. VISHWA would qualify for the full pension if her term deposit monies were invested in a superannuation fund in her name and recommended investment in a bank balanced superannuation fund.

Mr. and Mrs. VISHWA accepted the advice and transferred the funds to the recommended fund. Mrs. A subsequently reached retirement age and applied for the aged pension. However, she was subsequently advised by Centrelink that her pension entitlement was approximately half the full pension. A review of the financial planner's advice showed he had erred in his calculation. The lower pension entitlement therefore meant Mr. and Mrs. VISHWA's overall already modest income fell after implementing the planner's recommendation.

Questions:

- (a) What specific advice did the financial planner give Mr. and Mrs. VISHWA?
 - (b) Could Mrs. VISHWA have received different advice from another financial advisor to better maximize her pension?
 - (c) Was the financial planner liable for the error in his advice?
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