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PD-2825

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M.B.A.

**404-Fin-SC-Fin-06: Current Trends & Cases in Finance
(2019 Revised) (Semester-IV)**

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) *All Questions are compulsory.*
- 2) *Each Question has an internal option.*
- 3) *Each question carries 10 marks.*
- 4) *Use of sample calculator is allowed*

Q1) Write any five out of eight (2 marks each) :

[10]

- a) Define value chain financing.
- b) Mention two objectives of self-help groups.
- c) Define briefly any one type of e-wallets.
- d) What is the main aim of small finance bank?
- e) Which microfinance institution is known as the universal bank?
 - i) Arohan Financial Services Private Ltd.
 - ii) Bandhan Financial services Private Ltd.
 - iii) Disha Micro Finance Pvt. Ltd.
 - iv) SKS Microfinance Pvt. Ltd.
- f) In India, NABARD does not provide refinance to
 - i) Scheduled commercial Banks
 - ii) Regional rural banks
 - iii) Export-import bank
 - iv) State development banks

P.T.O.

g) Which of the following is not the part of organised sector of Indian money market?

i) Mutual funds ii) Chit funds iii) NBFCs iv) R.B.I.

h) E-wallet has mainly _____ components

i) 2 ii) 3 iii) 4 iv) 5

Q2) Answer the following (any 2) :

[2 × 5 = 10]

- a) Describe the various functions of NABARD.
- b) Explain the SEBI regulations on startup listing.
- c) Describe the business model of payment banks in India.

Q3) a) Develop a plan to deal with the issues faced by microfinance in India. [10]

OR

b) Enumerate the different schemes available for new startups by government of India. **[10]**

Q4) a) 'Amar' is an angel investor is seeking an annual return of 25% on the Investment of Rs. 500000 in a business.

Calculate & analyze the following.

- i) What is the angel's Investment worth after 5 years?
- ii) If the investor and the entrepreneur have agreed that based on the financial projections the value of the business at the end of 5 years would be Rs. 1050670. Calculate the angel investor's equity percentage. **[10]**

OR

b) How do "Phone Pay" achieve the good market share in India? Analyse the working model with suitable facts & figures. **[10]**

Q5) a) A company is contemplating to raise additional funds of Rs. 40,00,000 for setting up a project. The company expects EBIT of Rs. 18,00,000 from the project following alternative plans are available:

- i) To raise Rs.40,00,000 by way of equity shares of Rs.100 each.
- ii) To raise Rs.20,00,000 by way of equity shares of Rs. 100 each, and Rs.20,00,000 by way of debt @ 10%.
- iii) To raise Rs.25,00,000 by way of equity of Rs. 100 each and rest Rs. 15,00,000 by way of preference shares @ 14%.
- iv) To raise - Rs.12,00,000 by equity shares of Rs.100 each; Rs.12,00,000 by debt @ 10%; Rs.16,00,000 by 14% preference shares.

The company is in 60% tax bracket. Which option is best? **[10]**

OR

b) "Rashmika" after acquiring a degree in Hotel management and Business Administration, Took over her family business of food accession Company of Manufacturing Spices. The business had been established by her great grandmother and was doing reasonably well. However, the fixed operating costs of the business were high and the cash flow position was weak She wanted to undertake modernization of the existing business to introduce the latest manufacturing processes and diversify in to the market of chocolates and candies. She was very enthusiastic and approached to a financial consultant who told her that approximately Rs. 1 cr. would be required for undertaking the modernization and expansion programme. He also informed by consultant that the stock market was going through a bullish phase.

- i) Keeping in mind the above considerations, identify' the source of finance that should not be chosen by Rashmika for financing the modernization and expression of her food processing business. Give one reason in support of your answer.
- ii) Explain any two factors, a part from those stated in the above situation, which she should keep in mind while taking this decision.

[10]

