

SEP 2022

Total No. of Questions : 5]

SEAT No. :

[Total No. of Pages : 3

P6905

[5860]-410

M.B.A.

**404 - Fin : SC-FIN-06 CURRENT TRENDS AND CASES
IN FINANCE**

(2019 Pattern) (Semester - IV)

[Max. Marks : 50

Time : 2½ Hours]

Instructions to the candidates:

- 1) *All questions are compulsory.*
- 2) *Each question has an internal option.*
- 3) *Figures to the right indicate marks for questions / sub questions.*
- 4) *Use of simple calculator is allowed.*

Q1) Write a short answer (any five) :

- a) What is the difference between microfinance and microcredit? [2]
- b) What is an MFI? [2]
- c) What is the main aim of small finance bank? [2]
- d) What is the difference between small finance bank and Payment bank? [2]
- e) What is the SLR and CRR? [2]
- f) Why startups are important for India? [2]
- g) For how long would recognition as a "startup" be valid? [2]
- h) What is smart card? [2]

Q2) Answer the following (any 2) :

- a) Describe the various functions of NABARD. [5]
- b) What are the most important characteristics of e-wallets? Explain Briefly. [5]
- c) What is difference between bank and small finance bank? [5]

P.T.O.

Q3) How microfinance is helping poor households & small Business in India? [10]
Elaborate with suitable example.

OR

Enumerate the different schemes available for new startups by government of India.

Q4) 'A' is an angel investor is seeking an annual return of 25% on the Investment of Rs. 2,50,000 in a business. Calculate & analyze the following. [10]

- i) What is the angel's Investment worth after 3 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 3 years would be Rs. 8,77,500. Calculate the angel investor's equity percentage.

OR

How do 'Paytm Payments Bank Limited' market money? Analyze it with suitable Facts & Figures. [10]

Q5) a) A company is contemplating to raise additional Fund of Rs. 20,00,000 for setting up a project. The company expects EBIT of Rs. 8,00,000 from the project. [10]

Following alternating plants are available :

- i) To raise Rs. 20,00,000 by way of equity share of Rs.10 each.
- ii) To raise Rs. 10,00,000 by way of equity shares and Rs. 10,00,000 by way of debt @ 10%.
- iii) To raise Rs. 6,00,000 by way of equity and rest Rs. 14,00,000 by way of preference shares @ 14%.

iv) To raise :

Rs. 6,00,000 by equity shares

Rs. 6,00,000 by debt @ 10%

Rs. 8,00,000 by 14% preference shares.

The company is in 60% Tax bracket which option is best?

OR

- b) A company wants to have an option mix of debt and equity. The cost of debt and equity at a different debt equity ratio is as follows. [10]

Debt equity ratio	Cost of debt % (post-Tax)	Cost of equity %
0 : 100	—	12.5
10 : 90	5	13.00
20 : 80	5	13.60
30 : 70	6	14.30
40 : 60	7	16.00
50 : 50	8	18.00
60 : 40	10	20.00

What is the optimum capital structure of the company? Calculate combined cost of capital.



8 Aug. 2023

Total No. of Questions : 5]

SEAT No. :

[Total No. of Pages : 4

P3791

[6025]-80

S.Y.M.B.A.

**404 FIN-SC-FIN-06 : CURRENT TRENDS AND CASES
IN FINANCE**

(2019 Pattern) (Semester-IV)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Each questions has an internal options.
- 4) Use of Simple calculator is allowed.

Q1) Write any Five out of eight (2 marks each)

[10]

- a) 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.
- b) What does the microfinance model not predict?
 - i) Decrease in Interest rate when repayment is regular and in time.
 - ii) Homogenous Risk group
 - iii) Self selection of the best borrowers
 - iv) Increase in interest rate which repayment is regular and in time.
- c) Self help group is related to which of the following models?
 - i) Indian micro finance model ii) Financial inclusion model
 - iii) V.K. Mehta model iv) Banking model

- d) In India, NABARD does not provide refinance to-
- Scheduled commercial Banks
 - Regional rural banks
 - Export-import bank
 - State development banks
- e) In an SHG, most of the decisions regarding savings and loan activities are taken by
- Local Government
 - Group members
 - Co-operative society
 - Bank
- f) Which of the following is not the part of organised sector of Indian money market?
- Mutual funds
 - Chit funds
 - NBFCs
 - R.B.I.
- g) Small finance banks and payments bank are which type of
- Shadow Bank
 - Universal Bank
 - Differentiated Bank
 - Delivery Bank
- h) E-wallet has mainly _____ components
- 2
 - 3
 - 4
 - 5

Q2) Answer any Two of the following. (5 Marks each)

- Distinguish between micro savings and micro finance.
- Explain the functions of small finance bank.
- Describe the business model of payment banks in India.

Q3) a) Elaborate the NABARD initiatives for development of micro finance in India. [10]

OR

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

Q4) a) 'Mr Poor' is an and investor is seeking an annual return of 20% on the investment of Rs. 3,00,000 in a business. calculate and analyze the following: [10]

- i) What is the angel's Investment worth after 03 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 03 years would be Rs. 17,00,000. Calculate the angel investor's equity percentage.

OR

b) Analyse "phone pe" Business model with suitable facts and figures. [10]

Q5) a) AB Corporation Ltd. is expecting the EBIT of Rs. 3,00,000 P.a on an investment of Rs. 10,00,000 is considering the finalisation of the financial plan. Company analyses the following on potions to raise the required funds of Rs.10,00,000 the company belongs to 50% tax beackets. You are required to compute EPS under following four options and suagest which is better and why? [10]

- i) 100% funds by issuing equity share capital at par of Rs. 100 each.
- ii) 50% funds by issuing equity share capital at par of Rs. 100 each and 50% by issue of 12% preference share capital.
- iii) 50% funds by equity share capital at par of Rs. 100 each, 25% by issue of 12% Preference share capital and 25% by issue of 10% Debentures.
- iv) 25% funds by equity share capital at par of Rs. 100 each, 25% by issue of 12% preference share capital and 50% by issue of 10% Debentures.

OR

b) "Ishika" after acquiring a degree in Hotel management and Business Administration, Took over her family food accession Company of Manufacturing pickles, Jams and squashes. 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 modernisation 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. 50 lakh' would be required for undertaking the modernisation and expansion programme. He also informed hir that the stock market was going through a bullish phase.

- i) Keeping in mind. the above considerations, indentify the source of finance that should not be chosen by Ichila 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.

Total No. of Questions : 5]

SEAT No. :

PA-3730

[Total No. of Pages : 2

[5946]-410

S.Y. M.B.A.

**404 FIN : CURRENT TRENDS & CASES IN FINANCE
(2019 Pattern) (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) *Figures to the right indicate 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) Define chit funds.
- c) State two functions of small finance banks.
- d) Mention two objectives of self help groups.
- e) What is an alternative delivery channel?
- f) State two functions of payment banks?
- g) Define angel funding.
- h) Define briefly any one type of e-wallets.

Q2) Write any two out of three (5 marks each): **[10]**

- a) Explain the SEBI regulations on startup listing.
- b) Differentiate between micro-credit and micro finance.
- c) Discuss any five functions of NABARD.

Q3) Write any one out of two: **[10]**

- a) Develop a plan to deal with the issues faced by microfinance in India.

OR

- b) Discuss the business model of payment banks.

Q4) Write any one out of 2:

- a) "A" is an angel investor in seeking an annual return of 25% on the investment of Rs. 2,50,000 in a business. Calculate & analyse the following:
- What is the angel's investment worth after 3 years?
 - If the investors and the entrepreneur have agreed that based on the financial projections the value of the business at the end of 3 years would be Rs. 8,77,500. Calculate the angel investors equity percentage.

OR

- b) How do "Phone Pay" makes money? Analyse it with suitable facts & figures.

- Q5) a)** A company is contemplating to raise additional funds of Rs. 20,00,000 for setting up a project. The company expects EBIT of Rs. 8,00,000 from the project following alternative plans are available:-

- To raise Rs.20,00,000 by way of equity shares of Rs.10 each.
- To raise Rs.10,00,000 by way of equity shares and Rs.10,00,000 by way of debt @ 10%.
- To raise Rs.6,00,000 by way of equity and rest Rs.14,00,000 by way of preference shares @ 14%.
- To raise - Rs.6,00,000 by equity shares; Rs.6,00,000 by debt @ 10%; Rs.8,00,000 by 14% preference shares.

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

OR

- b) Victory Ltd. decided to purchase a machine to increase the installed capacity. The company has four machines under consideration. The relevant details including estimated yearly expenditure and sales are given below. All sales are for cash. Corporate tax rate @33.99% (inclusive of surcharge @10%, deduction cess @2% and secondary & higher education cess @1%) [10]

Particulars	M ₁	M ₂	M ₃	M ₄
Initial investment (Rs. Lacs)	30.00	30.00	40.00	35.00.
Estimated annual sales (Rs. Lacs)	50.00	40.00	45.00	48.00
Cost of production(estd)(Rs. Lacs)	18.00	14.00	16.70	21.00
Economic life (years)	2	3	3	4
Scrap value (Rs. Lacs)	4.00	2.50	3.00	5.00

Calculate payback period.

