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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)****MBA II Year I Semester Supplementary Examinations November-2020****FINANCIAL MARKETS AND SERVICES**Time: **3 hours**Max. Marks: **60****SECTION – A**(Answer all Five Units **5 x 10 = 50** Marks)**UNIT-I****1** Discuss the role of financial system in the economic development of a country. **10M****OR****2** Describe the functions of RBI and write about monetary policy. **10M****UNIT-II****3** Why the importance of co-operative banks in India? Explain the nature of the co-operative banks. **10M****OR****4** Discuss the role of insurance companies as well as IRDA. **10M****UNIT-III****5** What is a commercial paper? Explain its benefits to Industries. **10M****OR****6** Explain the role and functions of SEBI. **10M****UNIT-IV****7** Distinguish between hire purchase and lease. **10M****OR****8** What is venture capital? Explain the various stages of venture capital financing. **10M****UNIT-V****9** Explain the services of merchant bankers. **10M****OR****10** Write a short notes on : a)CRISIL b)ICRA **10M****SECTION – B**

(Compulsory Question)

1 x 10 = 10 Marks

11. XYZ Builders Ltd. need to acquire a crane for construction business and are considering buying or leasing a crane. The crane costs Rs.10 Lakhs and is subjected to straight Line depreciation to a zero salvage value at the end of 5 years. In contrast, the lease rent is Rs.2.20 lakhs per year payable in advance each year for 5 years. The XYZ Builders Ltd. can raise debt at 14% payable in equal annual instalments, each instalment due at the beginning of the year. The relevant tax rate is 50%.

Should the cranes be bought or leased by XYZ Ltd?

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