Total No. of Questions : 5]

SEAT No. :

P6905

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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) ***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? Elaborate with suitable example. **[10]**

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 enterpreneur 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.

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