

SVKM's NMIMS
School of Distance Learning
Academic Year: 2012 -2013

Subject: Investment Decision in Banking

Semester: III

Date: 3.1.2013

Time: 3:00 p.m to 6:00 p.m

Programme: PGD BFM

Marks: 70

Course: New

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book, which is provide for their use.

NB:

1. Answer to each new question to be started on a fresh page.
2. Figure in brackets indicates full marks.

Q.1. Answer any two

(Marks: 2*5=10)

- a) Discuss future challenges of banks
- b) Discuss the concept operational risk
- c) Discuss various types of letters of credit.

Q.2. Attempt any two

(Marks: 2*5=10)

- a) Define cash reserve ratio
- b) Discuss basic aspects of post shipment finance.
- c) Describe the functions of self help groups.
- d) Discuss the difference between lease and term loan.
- e) Discuss ICRA

Q.3. Attempt any three

(Marks: 3*10=30)

- a) Explain evaluation of lease transaction.
- b) Discuss the benefits of credit rating
- c) Describe the basic features of post shipment finance
- d) Analyse the limitation of credit rating
- e) Discuss the characteristics of derivatives.

Q.4. Answer all Questions

(Marks: 10*2=20)

- a) Discuss the role of banks to control inflation and promote economic development.
- b) Discuss risk minimization process in project financing.