

**SVKM's NMIMS**  
**NMIMS – GLOBAL ACCESS SCHOOL FOR CONTINUING EDUCATION**

Programme: PGDBFM

Academic year: 2014 – 2015  
Subject: Investment Decisions in Banking

Semester: III  
Course : New  
Marks : 70  
Time: 3.00 p.m. to 6.00 p.m.

Date: 15.06.2014

**Instructions:**

1. Answer to each new question to be started on a fresh page.
2. Figures in bracket indicate full marks.

**Q.1) Attempt any 2 out of 4**

(Marks: 2X5=10)

- a) Enumerate the types of Commercial banks. Give examples.
- b) Write short note on CRR and SLR.
- c) What are the different categories of Priority Sector Lending?
- d) What is the difference between lease and hire purchase?

**Q.2) Write short notes on (2 out of 5)**

(Marks: 2X5=10)

- a) Define MSMEs?
- b) What are the requirements the exporter must fulfill to get pre-shipment finance?
- c) Why to choose leasing instead of borrowing to fund an acquisition?
- d) What is the risk associated with the project, during construction phase? What steps are to be taken to minimize the same?
- e) Enumerate the benefits of credit rating.

**Q.3) Attempt any 3 out of 5**

(Marks: 3X10=30)

- a) Explain Basel II and its pillars. Why there is a need for the emergence of Base II?
- b) What are the key factors affecting the rate of interest of banks?
- c) What are the advantages and disadvantages of leasing?
- d) Write on the credit rating agencies in India.
- e) What is futures contract? How it is different from forward contract? How do risk is managed through future contract strategies?

**Q.4) Attempt both the questions**

(Marks: 2X10=20)

- a) What do you understand by securitization? What are the motives behind securitization?
- b) What is a guarantee? What are the different types of guarantees?

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