

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

Programme: PGDBFM

Examination: December 2015
Subject: Investment Decisions in Banking

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

Date: 12.12.2015

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)

1. What are the features of Option?
2. Which are the factors that affect the interest rate offered to individual customers by banks?
3. What are the categories of priority sector?
4. State the difference between guarantee and letter of credit.

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

(Marks: 2X5=10)

1. Which are the factors that affect the demand for loanable funds?
2. What is beta? Explain its implications?
3. Explain sales and leaseback lease.
4. Explain the discounted cash flow under the NPV and IRR method.
5. What is a forward contract, what are the problems faced by it?

Q.3) Attempt any 3 out of 5

(Marks: 3X10=30)

- a) Explain in detail about project financing.
- b) Explain Post shipment credit.
- c) Explain the concept of leasing, why leasing, and the difference between financial and operating lease.
- d) Explain the importance of credit rating with an example.
- e) Explain the types of LCs?

Q.4) Attempt both the questions

(Marks: 2X10=20)

1. What is a derivative? What are the criteria for derivative trading? What are the risks faced by banks?
2. What do you understand by securitization? What are the motives behind securitization?