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PRESIDENCY UNIVERSITY, BENGALURU
SCHOOL OF MANAGEMENT

Weightage: 40 %

Max Marks: 100

Max Time: 3 HRS.

21 Feb WEDNESDAY 2018

ENDTERM FINAL EXAMINATION

Even Semester 2017-18 Course: **FIN401 FINANCIAL SERVICES**

IV Sem. MBA

Instruction:

- (i) Read the question properly and answer accordingly.
 - (ii) Question paper consists of 3 parts.
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Part A

(4 Q x 5 M = 20 Marks)

1. Explain the concept of Registered and Beneficial Owner in a Depository setup.
2. How is Factoring different from Bill Discounting?
3. What is meant by Senior and Subordinated Debt?
4. How is Asset Reconstruction different from Debt Restructuring.

Part B

(5 Q x 8 M = 40 Marks)

5. What is the criterion to consider a lease as a Financial Lease? Also state when is a Financial Lease preferred over Operating Lease?
6. Discuss the various Investment Strategies of Private Equity Funds.
7. List out and explain the various services provided by a Depository to its clients.
8. What services can a corporate client expect to receive from an Investment Bank in the area of New Issue Management?
9. Elucidate the range of financial services offered by Factor Companies.

Part C

(2Q x 20 M = 40 Marks)

10. **'The subprime mortgage crisis that began in 2007 has given the decades-old concept of securitization a bad name'**. In this context, explain the concept and process of Securitization, its advantages and disadvantages.

Read the given NEWS Clipping and Answer Question 11 & 12 :

NEW DELHI: Ratings agency CARE has downgraded credit ratings of Fortis Healthcare Ltd and one of its subsidiaries, the hospital firm told stock exchanges today. The long-term bank facilities for Escorts Heart Institute and Research Centre Ltd were downgraded to a 'Single A Minus'; "under credit watch with negative implications", from a 'Single A Plus' and "credit watch with developing implications". Its short-term bank facilities were given an 'A Two Plus' rating, revised from an 'A One Plus' rating. "FHL's ratings continue to be on credit watch in view of the sizable reduction in promoter's stake i.e. Fortis Healthcare Holdings Pvt. Ltd. (FHHPL) in FHL in the past year," stated a CARE Ratings press note attached by Fortis in its disclosure.

11. What are the functions and uses of Credit Rating? (10 marks)
12. What are the various implications of a rating upgrade on the corporate? (10 marks)
