

magazine. We decided to follow the practice of the recognizing an equal proportion of the revenue with the publication of every issue". The committee members were wondering what will be the effect on the reported net income of the company changes its existing method of revenue recognition

Questions :

- (a) Give your opinion on the existing method of revenue recognition by Wisdom publishing Company.
- (b) What will be the effect on net income if the company changes its existing method.

MBFM 3002

M.B.A. DEGREE EXAMINATION, JUNE 2014.

Third Semester

MBA (Finance)

BANKING AND INDIAN FINANCIAL SYSTEM

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of Eight.

1. What is rural financing and why it is important.
2. Comment on modern Customer Relationship and Bankers.
3. What do you understand by Assets and Liabilities Management?
4. Write a note on NABARD.
5. What are specialised financial institutions and give examples.
6. Write a note on Mutual funds.

7. Give some examples of FDI in India, and why it is necessary.

8. Write a note on International capital market.

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of Eight.

9. Explain the main functions of RBI in India.
10. Explain merchant Banking in detail.
11. Explain the various types of risks encountered by commercial banks.
12. Comment on the functioning of Indian Primary Market and Secondary Market.
13. Examine the impact of FII's in Indian Stock market.
14. Comment on any three International financial institution roles in India.
15. Write a note on the following.
- (a) Endorsement
- (b) Types of Crossing
- (c) Payment of cheques by customers.
16. Explain various Loans and Advances offered by Nationalised Banks to their customers.

PART C — (1 × 20 = 20 marks)

Case Study (Compulsory)

WISDOM PUBLISHING COMPANY

17. The interim financial statements were presented to the management to the Wisdom Publishing Company. While going through these statements, one of the members noticed that the income statement is based on the assumption that the revenue is earned with the publication of the every issue of the company's magazine. He wondered what the basic of this assumption is.

The wisdom Publishing Company publishes a monthly magazine entitled simplest. During recent years the readership of the magazine has increased like anything. The management committee is happy about the enhancement of readership and also the better financial health of the organization.

When the committee member questioned the basis of the timing of recognition of revenue, it was pointed out by the finance manager that "In magazine publishing industry, the timing of revenue could either be based on the cash sale of the magazine subscription or the publication of the magazine every month. Thirdly, we may also recognize a portion of the revenue with cash sale and a portion with the publication of the