

ICICI Prudential Pension Funds Management Ltd, HDFC Pension Management Co Ltd and DSP Black Rock Pension Fund Managers Pvt. Ltd. Pension Fund Managers are now allowed to prescribe their own fee subject to ceiling of 0.25 percent to enable an economically viable model for their operations. PFRDA also recently revised its investment guidelines, with a view to improve performance of pension fund managers by direct investment in equity and corporate debt and not through mutual funds etc.

Question :

Trace the growth prospects and analysis the Features of New Pension Scheme.

MBFM 3003/GN 3003

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

Third Semester

Finance

MERCHANT BANKING AND FINANCIAL SERVICES

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Define leasing. Explain the different types of leasing.
2. What are the major constituents of the financial services market?
3. Write short note on 'Green shoe option'.
4. Differentiate between : Factoring and Forfeiting.
5. What do you mean by Mortgage — based securitization?
6. What are the different forms of venture capital financing?

7. Define Insurance and explain different types of Insurance and Insurance companies.

8. Distinguish Debit cards and Credit cards.

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Describe the recent challenges faced by the Indian Financial Services Sector.
10. Briefly explain the Functions of Merchant Bankers.
11. Elucidate the Different types of Factoring.
12. Describe the constitution and management of Mutual Fund.
13. Elucidate the various types of securitization Instruments
14. What do you understand by E-IPO? List out its features.
15. Explain the benefits of credit rating to rated companies and investors.
16. Explain various types of Retirement plans and state reasons for its popularity.

SECTION C — (1 × 20 = 20 marks)

Case Study – Compulsory.

17. New Pension Scheme (NPS) in India

The NPS, which was introduced by the Central Government in January 2004 for its new entrants and subsequently extended to the private sector in May 2009, has accumulated a corpus of ₹ 33,000 crore contributed by 50 lakhs subscribers. National Pension System (NPS) regulated by Pension Fund Regulatory and Development Authority (PFRDA) earned double digit returns of as much as 14.19 percent during 2012-13. The pension scheme for other than government employee with investment focus on corporate debt generated return of 14.19 percent while investment in government debt earned 13.52 percent. Pension scheme for Central Government earned a return of 2.39 percent while the scheme for State Government generated 13 percent. It is not only the cheapest retirement product but also as the highest returns generating scheme.

Last year PFRDA had issued revised guidelines for registration of pension fund managers to manage NPS for Private sector, under which eight Pension Fund Managers have been registered so far. The fund managers are SBI Pension Funds Pvt. Ltd, UTI Retirement Solutions Ltd. LIC Pension Fund Ltd., Kotak Mahindra Pension Fund Ltd., Reliance Capital Pension Fund Ltd.,