



# GL BAJAJ

Institute of Management & Research

Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) – 201306

## POST GRADUATE DIPLOMA IN MANAGEMENT (201 -) END TERM EXAMINATION (TERM - V)

Subject Name: Management of Banking and Financial Services

Time: **02.30 hrs**

Sub. Code: PGF-03

Max Marks: **60**

### Note:

1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.
2. All questions are compulsory in Section A & C. Section A carries 8 questions of 2.5 marks each, Section B carries 5 questions of 04 marks each and Section C carries 1 Case Study of 20 marks.

### SECTION - A

Attempt all questions. All questions are compulsory.

**2.5×08 = 20 Marks**

- Q. 1 (A): What do you mean by Non-Performing Assets?
- Q. 1 (B): Differentiate between operating and financial lease.
- Q. 1 (C): Briefly explain the advantages of ULIPs
- Q. 1 (D): What do you mean by liquidity risk?
- Q. 1 (E): What is the meaning of reinsurance?
- Q. 1 (F): What do you mean by Liquidity Coverage Ratio? How it is calculated?
- Q. 1 (G): What is the difference between leasing and hire purchase?
- Q. 1 (H): Explain the role of venture capital in the growth of startups in India.

### SECTION - B

Attempt any five out of six questions

**04×05 = 20 Marks**

- Q. 2: What is a financial system? Explain the structure of the Indian financial system.
- Q. 3: Briefly explain the organizational setup of Mutual funds in India.
- Q. 4: What do you mean by factoring service? Differentiate between recourse and non-recourse factoring.
- Q. 5: Why credit rating is important for any firm? Discuss in brief the rating methodology used by any rating agency in India
- Q. 6: Describe the various components used in the CAMEL'S model to analyze the performance of banks.
- Q. 7: Discuss in detail the organizational structure of an insurance company.

### SECTION - C

Read the case and answer the questions

**10×02 = 20 Marks**

### **Q. 8: Case Study**

The government unveiled a mega plan to merge 10 public sector banks into four as part of plans to create fewer and stronger global-sized lenders as it looks to boost economic growth from a six-year low. Finance Minister Nirmala Sitharaman announced four new set of mergers -- Punjab National Bank, Oriental Bank of Commerce and United Bank of India will combine to form the nation's second-largest lender; Canara Bank and Syndicate Bank will merge; Union Bank of India will amalgamate with Andhra Bank and Corporation Bank; and Indian Bank will merge with Allahabad Bank. Post the mega merger, here are the six PSU banks that will remain independent: Indian Overseas Bank, Uco Bank, Bank of Maharashtra and Punjab and Sind Bank, which have strong regional focus, will continue as separate entities. Bank of India and Central Bank of India will also continue to operate separately as before. Oriental Bank of Commerce and United Bank merger will merge into Punjab National Bank to create a bank with ₹17.95 lakh crore business and 11,437 branches. The merger of Syndicate Bank with Canara Bank will create the fourth largest public sector bank with ₹15.20 lakh crore business and a branch network of 10,324. Andhra Bank and Corporation Bank's merger with Union Bank of India will create India's fifth largest public sector bank with ₹14.59 lakh crore business and 9,609 branches. The merger of Allahabad Bank with Indian Bank will create the seventh largest public sector bank with ₹8.08 lakh crore business with strong branch networks in the south, north and east of the country, Sitharaman said. Last year, the government had merged Dena Bank and Vijaya Bank with Bank of Baroda, creating the third-largest bank by loans in the country. After the mergers, the country will have 12 public sector banks, including State Bank of India and Bank of Baroda.

### **Questions**

Q 8(A): How this consolidation phase of PSU banks will help in strengthening the Banking sector in India?

Q8(B): In your opinion, what are the challenges banking sector in India will face due to this consolidation phase of PSU banks?