

ADMISSION NUMBER											

**School of Business**  
**Bachelor of Business Administration**  
**Mid Term Examination - Mar 2024**

**Duration : 90 Minutes**  
**Max Marks : 50**

**Sem VI - D1UA608T - Financial Services**

General Instructions

*Answer to the specific question asked*

*Draw neat, labelled diagrams wherever necessary*

*Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Examine the effects of globalization on the expansion of financial services. What prospects and obstacles does it bring to financial institutions? K4 (4)
  
- 2) Explain how financial services assist corporations in optimizing their capital structure. Discuss concepts such as debt financing, equity financing, and financial advisory services provided by investment banks in capital raising activities. K5 (5)
  
- 3) Explain how financial advisors assist clients in setting financial goals, creating investment plans, and making informed decisions about their financial future. K5 (5)
  
- 4) Imagine you are a financial advisor at a bank. A client approaches you seeking advice on retirement planning. How would you utilize banking services such as savings accounts, certificates of deposit, and individual retirement accounts (IRAs) to help the client achieve their retirement goals? Additionally, how would you recommend insurance products such as annuities or life insurance to provide financial security during retirement? K3 (6)
  
- 5) In a scenario where a multinational corporation seeks to finance its international trade transactions. K4 (8)  
Question:-
  - 1) Compare the costs associated with forfeiting and bill discounting as financing options, taking into account factors such as interest rates, fees, and currency risks. (4Marks)
  - 2) Discuss the trade-offs between the two methods in terms of cost-effectiveness and liquidity management.(4Marks)

- 6) Bajaj Finance Limited is a prominent player in the financial services sector in India, offering a wide range of lending and investment products. As one of the leading non-banking financial companies (NBFCs) in the country, Bajaj Finance has established itself as a key player in retail lending, consumer finance, and wealth management. K5 (10)

Question 1:

In light of the evolving regulatory landscape in the financial services industry, how is Bajaj Finance positioning itself to navigate regulatory changes effectively while maintaining its competitive edge? Provide specific examples of regulatory challenges faced by Bajaj Finance and the strategies implemented to address them.(5Marks)

Question 2:

With the increasing adoption of digital technology and the rise of fintech disruptors, how is Bajaj Finance leveraging technological advancements to enhance its customer experience, streamline operations, and drive innovation in its product offerings? Discuss key initiatives or partnerships undertaken by Bajaj Finance to stay ahead in the digital transformation journey within the financial services sector. (5Marks)

- 7) Case Study: Evaluating the Impact of Key Players in Financial Services, Banking, and Insurance K6 (12)

In a dynamic financial landscape, three key players—banks, insurance companies, and financial services firms—vie for market dominance. Let's examine a scenario where these entities intersect. A global economic downturn triggers a surge in loan defaults, prompting banks to tighten lending standards. Concurrently, insurance companies face increased claims, leading to a reassessment of risk portfolios. Meanwhile, financial services firms navigate volatile markets to sustain client investments.

Discuss the following Questions:

- 1) How do banks balance the need for profitability with responsible lending practices during economic downturns? (3Mark)
- 2) What strategies can insurance companies employ to mitigate risk exposure and maintain solvency amid increased claims? (3Mark)
- 3) How do financial services firms adapt their investment strategies to manage market volatility and safeguard client assets? (3Mark)
- 4) What regulatory measures are necessary to ensure stability and transparency across these sectors amidst economic turbulence? (3Mark)