

(CDSC), there are 23 pending demat requests as on 15th August 2006, against the company.

In view of all this, it seems that you are stuck with an-liquid piece of paper, at this moment. According to the management headed by Ms. Ramasinha, chair person, its passion is to make technology reach and work for everyone. However, this cannot be achieved by flouting all the rules and regulations of the century.

Questions :

- (a) What is the financial performance of Eider Infotech?
- (b) Explain the present status of Eider Infotech.
- (c) What is the future prospects of Eider Infotech.

MBA 3712

M.B.A. DEGREE EXAMINATION, JUNE 2007.

Third Semester

Finance

Paper XII — INDIAN FINANCIAL SYSTEM

Time : Three hours Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE out of the following.

1. Explain the composition of savings.
2. Discuss the various financial services available in the commercial bank.
3. What is the role of Reserve Bank of India in co-operative credit to weaker sections?
4. Explain the regulations for NBFCs accepting public deposits.
5. Describe the different kinds of mutual fund.
6. What are the functions of a Merchant Banker?
7. Write a short notes on venture capital.
8. Explain the functions of a stock exchange.

PART B — (5 × 10 = 50 marks)

Answer any FIVE out of the following.

9. Critically evaluate the role of commercial banks in the development of industry in India.
10. Analyse the Assets and Liabilities of scheduled Commercial Banks in India.
11. Discuss the role of NABARD in the development of Rural people in India.
12. Describe the recognised rating agencies in India and their area of operation.
13. Discuss the liberalization measures for NBFC's.
14. Explain the importance of Asset Management Companies in India.
15. Discuss the growth and development of Stock Exchanges in India.
16. Describe the provisions relating to market intermediaries aimed at investor protection.

PART C — (1 × 20 = 20 marks)

Case Study — Compulsory

17. A Eider Infotech, which was formerly known as Eider Telecom, is engaged in trading of telecom

products like switches, electronic components and other electrical fittings and has its telecom R and D centre at Himachal Pradesh and at Punjab, apart from having manufacturing facilities at special processing zone in Himachal Pradesh. Its financial performance is also satisfactory in recent years. For the financial year ended March 2005, it has earned a net profit of Rs. 5.83 crore on net sales of Rs. 20.25 crore. For the first quarter of the current financial year (2007), it has posted sales and net profit of Rs. 4.54 crore and Rs. 1.12 crore respectively as against sales and net profit of Rs. 2.90 crore and Rs. 0.55 crore achieved in the first quarter of the previous year. In an equity of Rs. 19.99 crore, the promoters hold around 75 per cent stake.

The problem with the company is a widespread belief that the management does not care for rules and regulations formed by regulatory authorities like SEBI and stock exchanges. As a result, it has been mired with various controversies. For example, the Securities and Exchange Board of India (SEBI) has passed an adjudication order against the promoters of the company, viz, Mrs. Rama Sinha, Mr. Sanjay Sinha and skytel communications, along with others, for violation of Regulation 11 (2) of SEBI regulation in the matter of acquisition of shares of the company without making the mandatory public announcement and a penalty of Rs. 5 lakh was imposed on them. Moreover, the company's securities stand suspended from trading on the National Stock Exchange as complaints are pending against it. Even at the Central Depository Services