



AJEENKYA

D Y PATIL UNIVERSITY

End Term Examinations (April 2019)

School: School of Management

Program: Banking and Financial Services

Course: Retail Banking

Course Code: MGT529

Semester: II

Max Marks: 100

Duration (mins): 150

- 1) Question No 1 is compulsory
- 2) Attempt any 4 questions from Q2 to Q6

- 1) Mr Prashant is married, age 32 years and is an IT professional. Prashant has always saved a part of his income and invested in safe instruments like Fixed Deposits. However, during the market boom of 2006, he successfully invested in equities and mutual fund. He thought that he was always well diversified but when the global crisis in 2008, Prashant lost a majority of stock portfolio. The majority of his investments were in Banking stocks or financial services companies. Current Prashant is afraid of putting money in the stock market. Prashant is looking for ways to earn high return from market as seeks your advice for the same.
 - i) What do you think is Prashant's ability to take risk?
 - ii) Will you recommend a stock only portfolio or mutual fund only portfolio for Prashant?
 - iii) What kind of stock or mutual will you recommend to Prashant? Also recommend the portfolio mix suitable for him.
- 2) Explain in detail the process of Credit scoring , its benefits to customer and banks
- 3) Explain the concept of Securitisation & Mortgage backed securities.
- 4) Explain delivery models in Retail banking.

- 5) A newly constructed building stands on a plot costing Rs. 10 lakhs. The construction cost of building is Rs. 20 lakhs and the estimated life of building is 50 years. The investor wants a 5% return on land cost and 6% return on the construction cost. Calculate the annual rent to be charged if annual repair cost 0.5% of cost of construction and other outgoings equal 30% of gross rent. The co-efficient for sinking fund at 3% for 50 years may be taken as 0.005. Calculate rent per month.
- 6) Short Notes: (Any 2)
- a. CRM in Banking
 - b. Credit Card Vs Debit Card.
 - c. Third party products distributed by banks
 - d. Tax benefit in respect of housing finance.
