Roll No..............

Department of Management
School of Management and Business Studies
Jamia Hamdard
MBA III Semester Examination - December 2025

Subject Name: Management of Financial Services **Max. Marks: 60**

Subject Code: MBA-GE-FM-01................... **Time: 2.5 Hours**

Attempt any Five Questions. All questions carry equal marks (5 x 12 = 60)

Q1: Discuss the principles and types of Islamic financing arrangements. Does Islamic banks simply change labels by replacing the word "interest" with "profit"?

Q2: Discuss the factors VCs evaluate before funding early stage start-ups? "There has been a rise in venture capital mega deals in India's fintech start -ups." Explain.

Q3: Explain the regulatory framework of insurance industry in India.

Q4: Discuss the evolution of banking system in India. Outline the recommendations of Narasimham Committee I on banking sector reforms in India.

Q5: Why do companies prefer leasing over buying assets? What is a Right-of-Use (ROU) asset and how is it recognised under Ind AS 116 / IFRS 16?

Q6: "The US sub-prime crisis was the result of NINJA loans." Critically discuss the role of securitization in the sub-prime meltdown.

Q7: "Traditional banks are no longer competing with fintechs—they're collaborating." Discuss

Q8: Based on the case study below, answer the questions:

Akash Fishmeal and Fishoil Private Limited (AFFPL) was incorporated in 2015, at Sindhudurg, Maharashtra. The company processes and sells fishmeal and fish oil, both in the domestic and international markets, under the Akash brand. Operations are managed by the key promoter, Mr Shyam Chandrakant Sarang along with 23 other promoters.

<u>Key financial indicators</u>

As on / for the period ended March 31		**2025**	**2024**
Operating income	**Rs crore**	**78.84**	**222.23**
Reported profit after tax (PAT)	**Rs crore**	**(6.45)**	**14.25**
PAT margin	**%**	**(8.18)**	**6.39**
Adjusted debt/adjusted networth	**Times**	**1.89**	**1.28**
Interest coverage	**Times**	**(0.36)**	**7.61**

Crisil Ratings has downgraded its rating on the long-term facilities of Akash Fishmeal and Fishoil Pvt Ltd (AFFPL) to **'Crisil BB/Stable'** from Crisil BB+/Stable' and reaffirmed its 'Crisil A4+' rating on the short-term facilities.

The five-decade-long experience of the promoters in the seafood products business, their strong understanding of market dynamics and healthy relationships with customers and suppliers will continue to support the business. The company generates 95% of revenue from the export market backed by repeat orders and onboarding of new customers. However, AFFPL faces significant customer concentration risk as its top five customers form nearly 88% and one single customer, Kanematsu Corporation contributed around 73% of the total sales in fiscal 2025. 95% of its revenue accrues from the international market. There is intense competition in the fishmeal industry and exposure to uncertainty about availability and volatility in the prices of fish.

The capital structure of the company is moderate due to moderate reliance on external debt to meet capex and working capital requirements as reflected in gearing and total outside liabilities to adjusted networth of 1.89 time and 1.98 time as of March 31, 2025.

Bank limit utilization averaged high at 93% for the 12 months ended August 2025. Expected annual cash accrual of Rs 6-8 crore is sufficient against term debt obligation of Rs 1.5 crore over the medium term. Current ratio was moderate at 1.28 times as on March 31, 2024. Unencumbered cash and bank balance was around Rs. 0.09 crore and unsecured loans from promoters Rs 10 crore as on March 31, 2025.

a) Discuss rating sensitivity factors(Both upward and downward) which led to the downgraded rating on the long term facilities of AFFPL.
b) Why do CRAs not always function in the best interests of the markets?