Maharashtra Education Society
Institute of Management & Career Courses, Pune (Autonomous)
End Term Question Paper
AY 2025-26
Semester: III

Course Code: SC- FIN- 04 **Course Name:** Current Trends and Cases in Finance
Total Marks: 50
Instructions:

i. All questions are compulsory.
ii. Figures to the right indicate full marks.

Question No. 1: **[10 Marks]**

A small textile unit in Pune wants to reduce electricity bills and carbon footprint. The owner approaches a bank for a Green Loan to install rooftop solar panels.

a) How does this financing decision qualify as green finance?
b) Identify the tool of green finance applied.

Question No. 2: **[10 Marks]**

A rural district in Maharashtra has a large population of migrant workers who face difficulties in opening regular bank accounts due to KYC challenges and lack of documents. A payment bank entered the market, providing Aadhaar-based accounts, mobile banking, and easy remittance services. Within a year, the bank reported a significant increase in digital transactions but faced resistance from elderly customers and unbanked women.

1. Examine how payment banks promote financial inclusion and identify the gaps that still remain.
2. Analyze the role of technology vs social acceptance in the success of financial inclusion through payment banks.
3. What specific strategies could payment banks adopt to reach women and elderly customers more effectively?

Question No. 3: Solve any Two of below (15 marks each) **[30 Marks]**

a) Roshan after acquiring a degree in Hotel management and Business Administration, Took over his family business of food accession Company of Manufacturing Spices. The business had been established by his great grandmother and was doing reasonably well. However, the fixed operating costs of the business were high and the cash flow position was weak he wanted to undertake modernization of the existing business to introduce the latest manufacturing processes and diversify in to the market of chocolates and candies. He was very enthusiastic and approached to a financial consultant who told her that approximately Rs. 1 cr. would be required for undertaking the modernization and expansion programme. He also informed by consultant that the stock market was going through a bullish phase.

1. Keeping in mind the above considerations, identify the source of finance that should not be chosen by Roshan for financing the modernization and expression of his food processing business. Give one reason in support of your answer.
2. Explain any two factors, a part from those stated in the above situation, which she should keep in mind while taking this decision.

b) During an economic slowdown, NBFCs (Non-Banking Financial Companies) that constitute India's shadow banking system face severe liquidity crunches. Some collapse, creating a ripple effect on the stock market and investor confidence. At the same time, open banking-enabled fintechs flourish, offering alternative credit solutions with transparency. Regulators must balance both sectors for financial stability.

1. Critically analyse how shadow banking can complement or threaten the regulated banking sector.
2. Design a policy framework that integrates shadow banking into the open banking ecosystem without stifling growth.
3. Evaluate whether shadow banking is an opportunity or a threat in emerging economies like India.

c) A health-tech startup named "MediNova" has developed an AI-based diagnostic tool and is seeking ₹3 crore in angel investment. The startup is bootstrapped so far, with early traction from hospitals in three states. An angel network shows interest but raises concerns about SEBI regulations and exit opportunities.

1. Evaluate the regulatory requirements the angel investors and the startup must meet under SEBI guidelines before finalizing the funding.

2. Create a strategy that MediNova could use to secure funding while complying with SEBI norms. Include investor eligibility, investment size, and documentation required.