

**TILAK MAHARASHTRA VIDYAPEETH, PUNE**  
**MASTER OF BUSINESS ADMINISTRATION (M.B.A.)**  
**EXAMINATION: MAY - 2026**  
**SEMESTER - IV**

**Sub.: Management of Financial Institutions (MBA24-FM406, MFM407)**

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|--------------------------|-------------------------|-----------------------------------|
| <b>Date : 22/05/2026</b> | <b>Total Marks : 60</b> | <b>Time: 10.00 am to 12.30 pm</b> |
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**Instructions:** 1) All questions are compulsory.  
 2) Figures to the right indicate full marks.

- Q. 1. Write Short notes on (Any Three) (15)**
1. Structure of Indian Financial System
  2. Role of Financial Intermediaries
  3. Primary vs Secondary Market
  4. Functions of Insurance Companies in Financial Stability
- Q. 2. Answer in detail (Any One) (10)**
1. Explain the role of financial institutions in promoting economic development and capital formation.
  2. Analyze the importance of mutual funds in providing investment opportunities to small investors.
- Q. 3. Answer in detail (Any One) (10)**
1. Discuss the role of development financial institutions (DFIs) in industrial growth.
  2. Evaluate the contribution of insurance companies in risk management and economic security.
- Q. 4. Answer in detail (Any One) (10)**
1. Examine the impact of fintech innovations on traditional banking institutions.
  2. Discuss the regulatory framework governing securities markets in India and its importance.
- Q. 5. Horizon FinServe Ltd., a rapidly growing non-banking financial company (NBFC), has established a strong presence in consumer lending and microfinance across semi-urban regions of India. Over the last decade, the company has significantly expanded its operations, with its loan portfolio reaching approximately ₹10 billion in assets under management. This growth reflects its ability to tap underserved markets and meet rising credit demand. (15)**

Despite its success, Horizon is currently facing several critical challenges. The rise in non-performing assets (NPAs), particularly in unsecured lending, has raised concerns about asset quality. Additionally, tightening liquidity conditions have increased the cost of borrowing, putting pressure on profit margins. The company also faces intense competition from fintech startups that offer fast, technology-driven lending solutions. Moreover, stricter regulatory requirements

related to capital adequacy and risk management have added to operational complexities.

In response, Horizon is planning strategic initiatives to strengthen its position. These include forming partnerships with fintech companies to enhance digital lending capabilities, diversifying into secured lending to reduce risk exposure, adopting AI-based credit assessment models and exploring co-lending opportunities with commercial banks to improve funding access and risk sharing.

**Questions :**

- 1) Analyze the key challenges faced by Horizon FinServe Ltd. and discuss how they impact its profitability and risk profile.
  - 2) Evaluate the effectiveness of Horizon's proposed strategies (fintech partnerships, secured lending, AI-based credit assessment and co-lending) in addressing its current issues.
  - 3) Recommend a comprehensive strategy for Horizon FinServe Ltd. to improve its financial stability, manage risk and sustain long-term growth.
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