

00102

**P.G. DIPLOMA IN RURAL BANKING
(PGDRBI)**

**Term-End Examination
June, 2012**

**MCQ-040 : BANK AND MICRO, SMALL AND
MEDIUM ENTERPRISES INTERFACE**

Time : 2 hours

Maximum Marks : 50

*Note : Question No. 1 in Part-A is compulsory.
Attempt any four questions from Part-B.*

PART - A

Explain *any five* :

2x5=10

1. (a) Return On Equity (ROE)
- (b) Quick Ratio
- (c) Break-even Point
- (d) Sensitivity Analysis
- (e) Time value of Money
- (f) Value Chain
- (g) Business Plan

PART - B

All questions carry *equal* marks.

1. Describe the contribution of MSME sector in India to employment and GDP. What are the major constraints increasing the flow of institutional credit to this sector ? 10

2. Differentiate between Fixed Cost and Variable Cost ? Do you agree that cost-volume-profit analysis is an important tool for decision making ? 2+8=10

3. What are the major parameters for appraisal of an entrepreneur ? 10

4. Explain *any four* : 2½x4=10
 - (a) Internal Rate of Return
 - (b) Project cycle
 - (c) Intangible assets
 - (d) Debt Service Coverage ratio
 - (e) NPW and BC Ratio
 - (f) Clusters

5. What do you mean by Working Capital ? Explain how working capital requirement is assessed ? 2+8=10

6. Write short notes on *any four* : **2¹/₂x4=10**
- (a) NABARD
 - (b) SIDBI
 - (c) DICs
 - (d) SFCs
 - (e) SIDO
 - (f) RBI
7. Marketing in MSMEs is a combination of product, price, distribution and promotional strategies. Do you agree ? **10**
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