

Duration. 2:30 Hours

Marks-75

Note: All questions are compulsory.

Figures given to the right indicates in full.

Q1 A. Fill in the Blanks (any eight)

(8)

1. _____ services are mainly provided to foreign investors.
a. Custodial Service b. Financial Services c. Factoring Services d. Forfeiting
2. Financial institution needs _____ to provide services.
a. Assets b. Fund c. Liability d. Fees
3. The party who owns a leased asset is called the _____.
a. lessee b. lessor c. guarantor d. trustee.
4. If buyer default under hire purchase agreement _____.
a. Legal Suit file by the vendor b. Repossession of Goods c. No action by the vendor
d. no action
5. The _____ Provides facilities for exchange of shares into money.
a. Forfeiting b. Factoring c. Stock Exchange d. Hire Purchase
6. Short-term high risk activity is called _____.
a. investment b. speculation c. hedging d. arbitrage
7. CP's, CD's and BOE are examples of _____ market instruments
a. share b. forex c. capital d. money
8. _____ refers to the probability of losses.
a. capital erosion b. Profits c. Return d. Risk
9. putting money into different assets is called asset _____.
a. classification b. segregation c. allocation d. reduction
10. Securitization is a conversion of loan recovery into _____ securities.
a. funded b. debt c. non- marketable d. marketable

B. State True or False (any seven).

(7)

1. Credit rating agencies Increases the trading potential of the certificate.
2. In second stage, originator will transfer assets to SPV.
3. Volatile Stripped securities have no Government backing.
4. Brokerage in derivatives is less when compared to cash market.
5. Forward is a standardized contract, traded on exchanges.
6. Maturity date is fixed in swap contract.
7. The options which gives the buyer a right to sell the underlying asset is called call option.
8. The term consumer credit refers to a transfer of insurance.
9. The closure of pledge happens when the person becomes insolvent
10. The guarantor in consumer Finance need to have daily earning capacity.

- Q. 2 a. Explain the scope of financial services in detail. (7)
b. Define merchant banking. Explain services of merchant banking in detail. (8)
OR
c. Explain the various innovative products in detail. (7)
d. Explain the classification of merchant bankers as per SEBI guidelines. (8)
- Q. 3 a. "Mutual fund Sahi Hai". Explain the above statement by bringing out the advantages of mutual fund. (7)
b. Highlight the difference between factoring and forfeiting. (8)
OR
c. Explain the various types of mutual fund. (7)
d. Explain the concepts of forfeiting and its advantages. (8)
- Q. 4 a. Define Securitisation. Explain its operational mechanism in detail. (7)
b. Compare the forward and future contract. (8)
OR
b. Discuss the reasons for unpopularity of securitisation. (7)
c. Explain options and its types. (8)
- Q. 5 a. Discuss the major issues faced by Housing Finance in India. (7)
b. Explain the various sources of consumer finance. (8)
OR
c. Write short notes: (Any three) (15)
1. Functions of depository system
2. NSDL
3. Dematerialisation
4. Pledge v/s Hypothecation
5. Sources of Housing Finance
