

Duration: 2 ½ hrs

(75 Marks)

Q1.A Fill in the blanks. (Any 8)

8m

1. ____ includes all activities involved in the transformation of saving into investment.
 - a) Financial Management
 - b) Financial System
 - c) Financial Accounting
 - d) Financial Reporting
2. Underwriting of shares by a financial intermediary is a kind of ____ activity.
 - a) Banking
 - b) Investment
 - c) Insurance
 - d) Depository
3. ____ services are mainly provided to foreign investors.
 - a) Leasing
 - b) Factoring
 - c) Merchant Banking
 - d) Insurance
4. Term lending institutions are ____ market intermediaries.
 - a) Money
 - b) Capital
 - c) Foreign Exchange
 - d) Commodity
5. The minimum net worth for the first category of a merchant banker is _____.
 - a) Rs.1 Crore
 - b) Rs.5 Crore
 - c) Rs.10 Crore
 - d) Rs.50 Crore
6. The company which sets up a mutual fund is called _____.
 - a) Asset Management Company
 - b) Trustee
 - c) Sponsor
 - d) Broker
7. The idea of providing factoring services was first thought in India by _____.
 - a) NABARD
 - b) ICICI Bank
 - c) RBI
 - d) SEBI
8. Financial derivatives are mainly used for _____.
 - a) Raising Capital
 - b) Hedging Risks
 - c) Reducing Liabilities
 - d) Portfolio Diversification
9. A very long tenure lease applicable to immovable properties is _____ lease.
 - a) Operating
 - b) Finance
 - c) Perpetual
 - d) Leasehold

10. The assets generally not suitable for securitization is ____.

- Housing Loans
- Credit Card Receivables
- Non-Performing Assets (NPAs)
- Auto Loans

Q1.B State whether the following statements are true or false . (Any 7) 7m

- NBFC is a company register under the RBI Act.
- Under forfeiting the client is able to get credit facility to the extent of 100%.
- Custodial services are mainly provided to foreign investor.
- An underwriter relieves the company of the risk and uncertainty of marketing the securities.
- Clearing is the process of updating the accounts of trading parties.
- Derivatives are financial contract that derive their value from underlying assets.
- Hire purchase act was passed in the year 1972.
- Startup fund is needed for developing a product in the initial stages.
- The rating agencies follow a through and transparent evaluation so as to lend credibility to their finding.

10. Consumer finance refers to the rising finance by business for acquisition of durable goods. 8m

Q2a. Define financial services explain innovative financial instruments. 7m

Q2.b Distinguish between fund based & fee based financial service

OR

Q2.c Define merchant banker explain their services. 8m

Q2.d What are different problems of merchant bankers? 7m

Q3a. Define mutual funds give its classification. 8m

Q3.b State advantages & disadvantages of mutual funds. 7m

OR

Q3.c Explain the different types of factoring. 8m

Q3.d What are the different types of export forfeiting? 7m

Q4a. Explain modus operandi of securitization. 8m

Q4.b State the role of parties in securitization. 7m

OR

Q4.c What are the different types of financial derivatives. 8m

Q4.d Discuss future and option in detail. 7m

Q5.a Explain the different housing finance agencies in India. 8m

Q5.b Explain different types of consumer finance. 7m

OR

Q5 Write short notes (any 3) 15m

- Financial derivatives
- Pledge
- Forward
- ALM
- NHB
