

Time: 2 ½ Hours

Total Marks: 75

N.B. 1) All question are compulsory.**2) Figures to the right indicate full marks.****Q1. A. Multiple choice question (Any eight)****(8)**

1. The periodic payment made by the borrower to the lender is called _____.
(a) Principal (b) Simple Interest (c) EMI (d) Compound Interest
2. There are usually ___ parties to a cross-border factoring transaction.
(a) Four (b) Three (c) Two (d) One
3. Merchant bankers must register with _____.
(a) RBI (b) SEBI (c) IRDA (d) NABARD
4. The concept of securitization is associated with _____.
(a) Capital Market (b) Money Market
(c) Debt Market (d) Foreign Exchange Market
5. In pledge, the _____ takes actual possession of assets.
(a) Borrower (b) Seller (c) Lender (d) Broker
6. Money Market Mutual Funds invest mainly in _____.
(a) Long-term assets (b) Short-term assets
(c) Short-term debt funds (d) Short-term equity funds
7. Mutual funds are very popular in _____.
(a) India (b) UK (c) Japan (d) USA
8. Which of these is a regulatory body _____.
(a) Debt (b) RBI (c) Credit rating agencies (d) Stock broker.
9. A person who agrees to buy an asset at a future date has gone _____.
(a) Long (b) Short (c) Back (d) Ahead
10. National housing bank is a fully owned subsidiary of _____.
(a) HDFC (b) RBI (c) HSBC (d) HUDCO.

B. State whether the following are true or false: (any 7)**(7)**

1. Loan syndication is a free based activity.
2. International factoring is also known as four-factor system.
3. Merchant banks deals with funds raised through money market and capital market.
4. AMFI stands for associations of mutual funds in India.
5. In hypothecation, possession and ownership remain with the borrower.
6. Gilt funds do not carry credit risk.
7. IPO stands for initial public offer.
8. Housing is the basic need of human beings.
9. A combination of forwards by counterparties with matching needs is called forward.
10. Commercial banks and credit union are sources of consumer finance.

