

Duration: 2.30 hrs.

Marks: 75

N.B. 1) All questions are compulsory.

2) Figures to the right indicate full marks.

Q1) (A) Choose the correct option: (Any Eight)

(8)

- 1) _____ is a fund based financial service, provides resources to finance receivable as well as facilitates the collection of receivables.
a) Leasing b) Hedge Finance c) Merchant Banker d) Factoring
- 2) Merchant bankers are _____.
a) Merchants b) Banks c) Neither merchants nor banks d) Body corporate
- 3) The market performance of mutual fund can be judged on the basis of _____.
a) Net Asset Value b) Capital Appreciation c) Regular Income d) Total Asset Value
- 4) Maturity factoring is also known as _____.
a) Domestic factoring b) Collection factoring c) Non-recourse factoring d) Notified factoring
- 5) _____ is the entity through which the securitization transaction is actually operated.
a) Special Purpose Vehicle b) Originator c) Seller d) Buyer
- 6) An option allowing the owner to sell an asset at a specified price on or before a specified date is a _____.
a) Put option b) Call option c) Forward option d) Future contract
- 7) National Housing Bank is a fully owned subsidiary of _____.
a) HDFC b) HSBC c) RBI d) HUDCO
- 8) An ongoing credit arrangement similar to a bank overdraft is _____.
a) Cash Loan b) Revolving credit c) Unsecured Finance d) Term Loan
- 9) In depository system, _____ is a link between depository and the owner.
a) Depository participant b) Register and Transfer agent c) Issuer d) Custodian
- 10) _____ is used when pledgee takes actual possession of an asset.
a) Pledge b) Lien c) Mortgage d) Hypothecation

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

(7)

- 1) RBI regulates the Capital Market in India.
- 2) The most common method of public issue is through private placements.
- 3) Mutual funds unit holders have voting rights.
- 4) Forfeiting is nothing but international factoring.
- 5) Securities issued against the assets securitized are not negotiable and hence they cannot be traded in the market.

- 6) The profit arising from a swap transaction is called 'Swap Profit'.
- 7) HUDCO stands for Housing and Urban Development Corporation.
- 8) Non instalment credit is either secured or unsecured, depending on the company offering the credit.
- 9) NSDL and CDSL maintains investors' stock holdings in the Capital Market.
- 10) Pledge arises when the lender takes possession of either the goods or bearer securities for extending a credit facility to the borrower.

Q.2) A) Briefly explain any four fee-based services. (8)

Q.2) B) What are the challenges faced by financial service sector in Indian economy? (7)

OR

Q.2) C) What are the features of merchant bankers. (8)

Q.2) D) Briefly explain the objectives of merchant bank. (7)

Q.3) A) Briefly explain the structure of mutual fund organisations. (8)

Q.3) B) Outline the causes of slow growth of mutual funds in India. (7)

OR

Q.3) C) Distinguish between Factoring and Bill Discounting. (8)

Q.3) D) Briefly explain the advantages of forfeiting. (7)

Q.4) A) What is derivatives? Compare forward and future contract. (8)

Q.4) B) What is securitization? Explain the causes for unpopularity of securitization. (7)

OR

Q.4) C) Explain the concept of options along with its characteristics. (8)

Q.4) D) State merits and demerits of securitization. (7)

Q.5) A) Define Consumer Finance. Explain briefly about the sources of consumer finance. (8)

Q.5) B) Explain the key features of depository system in India. (7)

OR

Q.5) Write a short note. (Any 3)

(15)

- 1) Innovative Financial Instrument
- 2) Operational Mechanism of Securitization
- 3) NSDL
- 4) National Housing Bank (NHB)
- 5) Open ended Mutual Fund

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