

[Time: 2.5 Hours]

[Marks:75]

Q.1 (A) True and False (any 7)

1. Financial services do not have physical existence.
2. Cost of Factoring = Finance cost – Operating cost.
3. There are 5 types of underwriters.
4. In Venture Capital, Mezzanine Financing is the part of Expansion capital stage.
5. Revolving credit is very much like the overdraft facility provided by banks.
6. Bills of exchange cannot be rediscounted.
7. Sub broker can operate only on behalf of registered FIIs. He cannot deal in securities on his own account as principal.
8. Debit card is also called Electronic Cheque.
9. Home loan is available for purchase of land as well as improvement/extension of house.
10. CRISIL is the leading credit rating agency in the world.

(7)

(B) Match the columns (any 8)

Sr.NO	Column A	Sr.no	Column B
1	DRT	A	Hundis
2	Underwriters	B	Usance
3	Corporate counseling	C	T-bills
4	Time bills	D	Act of guarantee for sale of shares & debentures
5	Securitisation instrument	E	Fund based
6	Whole sale Debt Market	F	Debt Recovery Tribunal
7	Financial Services	G	Moody's
8	Indigenous bills	H	Fee Based
9	Housing Finance	I	Mobilization of savings
10	Credit Rating Agency	J	Pass through securities
		L	Data response tribunal

(8)

Q.2 (A) Explain any 7 draw backs of Forfeiting.

(7)

(B)What are financial services? Explain any 6 Fund based financial services.

(8)

OR

Q.2 (A) Ruby factors advances Rs. 27 lakhs to Pearl Enterprise against agreement of providing advance payment of 90% of receivables and for guaranteed payment after 3 months. The rate of Interest is 10% compounded quarterly and factoring commission is 2% of receivables. Both collected upfront.

(7)

- a. Compute amount actually made available to Pearl Enterprise.
- b. Calculate effective cost of funds made available to Pearl Enterprise .
- c. Assume interest is collected in arrear and commission in advance, what will be the effective rate of interest.

(B)What are the qualities of Merchant bankers

(8)

Q.3 (A) What is a Clearing member? Explain its functions and types of Clearing members.

(7)

(B)Explain the process of securitization with the help of the diagram .

(8)

OR

Q.3 (A) Define Lease. Explain any 6 types of Lease

(7)

(B) Explain the issues in Housing Finance Sector

(8)

Q.4 (A) Explain the features of Venture Capital

(7)

(B) Explain the reasons for growth of Consumer Finance.

(8)

OR

Q.4 (A) What is Smart card? Explain 5 features of Smart Cards.

(7)

(B) Describe the process of credit rating.

(8)

Q.5 (A) Discuss the Stages of venture capital Finance.

(7)

(B) The Vibhu Transport Ltd, purchased Truck from, the Hindustan Motors Ltd. on Hire Purchase basis.

(8)

The Cash price of the truck was Rs 16,00,000. The amounts were payable as under

- Rs. 5,00,000 on the date of purchase i.e 1st Apr, 2012
- Rs. 4,00,000 on 31st March 2013
- Rs. 4,00,000 on 31st March 2014
- Rs. 4,12,390 on 31st March 2015

The Hindustan Motors Ltd, charged interest at 5% p.a on the unpaid amount on the Diminishing balance each year. It closes its account on 31st March every year.

You are required to prepare Hindustan Motor Ltd A/c and interest A/c in books of Vibhu Ltd. according to credit purchase method.

OR

Q.5 (A) Write a Short notes on (Any Three)

(15)

1. Recourse & Non-Recourse Factoring
2. Banker to an Issue.
3. National Housing Bank
4. Option contract
5. Bill Market Scheme ,1970
