

Duration: - 2 ½ Hours

Marks :- 75

Note:- All Questions are Compulsory.

Figures to the right indicate full marks.

Q.1. A) Select the appropriate options and rewrite the following sentences: (Any 8) CO1 to CO4(R,U) (8M)

- 1) Bill Discounting is governed by the _____. (Negotiable Instrument Act, The contract Act, Sale of goods Act, Income Tax Act)
- 2) Financial services are _____. (Intangible, inseparable, variable, all of the above)
- 3) _____ market facilitates the trading of foreign exchange. (Capital market, Money market, commodity market, forex market)
- 4) Merchant banker require compulsory registration with _____ to carry out their activities. (RBI, SEBI, AMEI, NSE)
- 5) The _____ are exposed to the risk of under subscription. (Underwriter, broker, merchant banker, banker)
- 6) Features of venture capital includes _____. (High risk, Illiquid investment, high Technology, all of the above)
- 7) _____ is the outright purchase price of goods. (Cash price, Hire purchase price, down payment, up price)
- 8) Under _____ every installment is treated as hire charge for using the asset. (Hire purchase, finance lease, operating lease, factoring)
- 9) _____ credit is granted only to customers with good credibility. (Unsecured, secured, fixed, short term)
- 10) _____ is directly linked to the cardholder's bank a/c. (Debit cards, health card, club membership cards)

Q.1. B) state whether the following statements are true or false: (Any 7) CO1 to CO4(R,U) (7M)

- 1) Bill discounting is a short-term source of finance.
- 2) Factoring can be of two types resource and non-resource.
- 3) The merchant bankers are exposed to the risk of under subscription.
- 4) Stock broker means a member of stock exchange.
- 5) In securitization, specific assets are pooled together and repackaged as interest bearing securities.
- 6) Credit rating is an extensive audit of the issuing company.
- 7) The effective rate of interest on consumer finance is generally lower than the rate applicable to business finance.
- 8) Smart card technology is easy to duplicate or forge.
- 9) One time assessment of credit worthiness is valid over the future life of the security.
- 10) Promotion of economic development is an advantage of consumer finance.

- Q.2.A) Explain financial services. What are the different characteristics of financial services. CO1(R) (8M)
- B) Distinguish between factoring and forfaiting. CO1(U) (7M)
- OR
- C) Explain Bill Discounting and its features. CO1(U) (8M)
- D) Explain features of resource factoring. CO1(R) (7M)

- Q.3. A) Explain services provided by merchant bankers. CO2(U) (8M)
- B) Discuss obligations of underwriters. CO2(R) (7M)
- OR
- C) Explain features of securitization. CO2(U) (8M)
- D) Discuss benefits of securitization to the investors. CO2(R) (7M)

- Q.4. A) Explain features of finance lease and operating lease. CO3(U) (8M)
- B) Distinguish between hire purchase and leasing. CO3(R) (7M)
- OR

- 2) Explain venture capital Investment process of early state financing. CO3(R) (8M)
- 3) State advantages of hire purchase. CO3(U) (7M)
- 2.5. A) State disadvantages of using a credit card. CO4(R) (8M)
- 3) Define credit rating. Explain its features. CO4(U)) (7M)
- OR
- 2.5.C) Write short notes on: (Any 3) CO4(R,U) (15M)
- 1) Regulatory framework
 - 2) Benefits of securitization
 - 3) National housing bank
 - 4) Advantages of leasing to lessor
 - 5) Objectives of CRISIL Ltd.

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