

Duration: - 2 ½ Hours

Note:- All Questions are Compulsory.

Marks :- 75

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) _____ is one of the characteristics of financial services. (Separability, Tangibility, Rigidity, Intangibility)
- 2) _____ market is the market for new issues to public for the first time. (Primary, Secondary, Tertiary, Quaternary)
- 3) _____ is an example of fund-based services. (Venture capital, Credit rating, Advisory services, and Custodian services)
- 4) The Securities and Exchange Board of India (SEBI) was constituted in _____. (1988, 1990, 1992, 1987)
- 5) _____ are in charge of the issue process. (Underwriters, Merchant bankers, Brokers, Bankers)
- 6) The underwriters are remunerated with _____ for assuming risk of under subscription. (Brokerage, Charges, Discount, Underwriting commission)
- 7) _____ is an entity which would buy the assets to be securitized from the originator. (Special price vehicle, Superior purpose vehicle, Special purpose vehicle, Special policy vehicle)
- 8) _____ is an agreement to hire goods. (Finance lease, Operating lease, Factoring, Hire purchase)
- 9) _____ is a feature of Venture Capital. (High risk, low risk, zero risk, Liquid investment)
- 10) CRISIL Ltd, ICRA Ltd, CARE Ltd are some of the _____ in India. (Banks, Credit rating companies, Manufacturing companies, Brokerage companies)

Q.1. B) State whether the following statements are True or false: (Any 7)

CO1 to CO4 (R&U) (7M)

- 1) The person whose risk is insured is called insured in an insurance contract.
- 2) Bill discounting improves liquidity of the business.
- 3) in case of recourse factoring, credit risk is with the client.
- 4) Underwriters agrees to take up securities which are not fully subscribed.
- 5) the lessor is owner of the asset but the possession and economic use of the asset vests in the lessee.
- 6) Hire purchases does not get the benefit of depreciation on asset hired by him.
- 7) Credit cards give you an emergency line of credit.
- 8) Mega issues related by the credit rating agencies enhance employment opportunities in the economy.
- 9) NBFC's are not allowed to accept demand deposits.
- 10) The bill covered under the scheme must be genuine trade bills relating to the sale or dispatch of goods.

Q.2.A) Explain forfaiting. State advantages of forfaiting.

CO1(R) (8M)

B) Distinguish between Factoring v/s Bill Discounting.

CO1(U) (7M)

OR

C) Explain functions of factor.

CO1(U) (8M)

D) Explain features of Non resource factoring.

CO1(R) (7M)

Q.3.A) Explain responsibilities of Merchant bankers.

CO2(R) (8M)

B) Discuss Importance of underwriters.

CO2(U) (7M)

OR

C) Discuss benefits of securitization to the issuer.

(CO2(U) (8M)

D) Explain different types of underwriters.

CO2(R) (7M)

Q.4. A) Distinguish between operating lease and financial lease.

CO3(R) (8M)

B) State various sources of Housing finance.

CO3(U) (7M)

OR

C) Explain meaning of venture capital. State features.

CO3(R) (8M)

D) Explain venture capital investment process of later stage financing.

CO3(U) (7M)

Q.5. A) Define consumer finance. Explain features of consumer finance.

CO4(R) (8M)

B) What are the dangers of debit cards?

CO4(U) (7M)

OR

Q.5. Write short notes on: (Any 3)

CO4(R) (15M)

- 1) Features of resource factoring
- 2) Special purpose vehicle
- 3) Advantages of leasing to lessee.
- 4) Problems of Hire Purchase
- 5) Sources of consumer finance

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