

T.Y.B-MS (VI) / Innovative Fin Survey (125)

Q.P. Code :02999

[Time: 2 $\frac{1}{2}$ Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory subject to internal choice
 2. Figures to the right indicate full marks.
 3. All working notes will be part of the answer.

Q.1 Answer any two from the following

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- a) What are financial services? Explain the characteristics of it.
- b) Under the advance factoring arrangement, XYZ Ltd. has agreed to advance a sum of Rs.66 lakhs against the receivables purchased from Shahi Traders Ltd. The factoring agreement provides an advance payment of 75% of the value of factored receivables for guaranteed payment after 3 months from the date of purchasing the receivables.

The advance carries a rate of interest of 16.5% p.a compounded quarterly and the factoring commission is 1.75% of the value of factored receivables. Both the interest and commission are collected upfront.

- 1) Compute the amount actually made available to Shahi Traders Ltd.
 - 2) Compute the effective cost of funds made available to Shahi Traders Ltd.
 - 3) Assume that the interest is collected in arrears and the commission is collected in advance. Calculate the effective cost of funds made available to Shahi Traders Ltd.
- c) What is Discounting of bill ? Explain the types of bill discounting.

Q.2 Answer any two from the following

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- a) What is the role of underwriter?
- b) Describe the various stages involved in the working of securitization?
- c) Write a note on registration of Stock Broker

Q.3 Answer any two from the following

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- a) Explain the major issues in housing finance in India.
- b) Briefly discuss venture capital investment process.
- c) On 1st April 2015 Laxman LTD. purchased a machine from SSC Ltd on hire purchase basis. The cash price of the machine was Rs.5,00,000. The payment was to be made Rs.1,00,000 on the date of agreement and the balance in four annual installment of Rs. 1,00,000 plus interest at 8% per annum payable on 31st December each year. The first instalment being payable on 31st Dec' 2015. Prepare Machine a/c and SSC Ltd. a/c in the books of Laxman Ltd. assuming that the account are closed on 31st December every year and depreciation at 10% p.a is charged on the original cost.

Q.4 Answer any two from the following

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- a) Define consumer finance and explain the sources of it.
- b) Explain the credit rating agencies in India.
- c) Explain the prevention of frauds and misuse and consumer protection for plastic cards.

Q.5 Case Study

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Mr. Prakash has a habit of taking his salary in cash from his employer. He has saved an amount of Rs 2.5 Lakhs over the past 8 months. He makes all his payments by cash. However the new demonetisation move by the government, has affected Mr. Prakash as all his savings is of denominations of Rs. 500 and Rs. 1000. He is running out of cash to meet his daily expenses like medicines, grocery etc. He approaches his bank to seek advisory service as to which type of plastic money should he opt for. While talking to the banker, he informs that he receives a monthly salary of Rs. 40,000 and is eager to avail a plastic money application.

- 1) Assume yourself as a banker and offer him a type of card. Justify your answer.
- 2) Discuss the merits of the offered card.
- 3) Discuss the precautions to be taken for usage of the card.