

**BACHELOR OF COMMERCE [HONS]
FIFTH SEMESTER
FINANCIAL SERVICES
BCM- 504B3**

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. Formal merchant banking in India was originated in
a. 1969 b. 1979
c. 1989 d. None of the above.
2. The act of buying an asset without having to make full payment
a. financing b. banking
c. Hire purchase d. None of the above
3. is regarded as the fourth element of the financial system.
a. Financial markets b. Financial services
c. Banking institutions d. None of the above
4. Which is the first mutual fund establish in India?
a. SBI Mutual fund b. UTI
c. ICICI d. None of the above
5. What is the maximum grace period under factoring?
a. 60 days b. 90 days
c. 150 days d. None of the above
6. CRISIL was launched in the year
a. 1999 b. 1987
c. 1991 d. None of the above
7. Under lease, the lessor can lease the asset to more than one person
a. Financial b. Leveraged
c. Operating d. None of the above.
8. Which regulatory body oversees credit rating agencies in India?
a. SEBI b. RBI
c. NSE d. None of the above
9. is the process of selling the trade debts of a customer to a financial instrument.
a. Factoring b. Forfeiting
c. Banking d. None of the above

10. Hire purchase system is governed by
 - a. Sales of Goods Act
 - b. Positioning
 - c. Hire Purchase Act,1972
 - d. None of the above
11. provides funds to entrepreneurs for new business set up.
 - a. Venture capital
 - b. Leasing
 - c. Credit rating
 - d. None of the above
12. The first nationalized bank in India to start venture capital financing is
 - a. SBI
 - b. RBI
 - c. Canara Bank
 - d. None of the above
13. The word factor has been derived from the Latin word.....
 - a. Facor
 - b. facere
 - c. factoree
 - d. None of the above
14. is a financing method that allows business to assess funds before their invoice are due.
 - a. factoring
 - b. Bill discounting
 - c. leasing
 - d. None of the above
15. All merchant bankers must have minimum net worth of
 - a. 10 crores
 - b. 15 crores
 - c. 5 crores
 - d. None of the above
16.numbers of parties are involved in factoring.
 - a. 2
 - b. 3
 - c. 4
 - d. None of the above
17.was the first Indian bank to set up merchant banking division.
 - a. SBI
 - b. RBI
 - c. PNB
 - d. None of the above
18. Cross border factoring is also known as factoring.
 - a. foreign
 - b. import
 - c. export
 - d. None of the above
19. The headquarter of CRISIL is located at
 - a. Delhi
 - b. Mumbai
 - c. Kolkata
 - d. None of the above
20. Which among the following is/are the type(s) of mutual fund?
 - a. Equity fund
 - b. Hybrid fund
 - c. Debt fund
 - d. All of the above

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(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

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| 1. Elaborate the functions of merchant banks. | 10 |
| 2. What is meant by Credit Rating? Mention in brief the functions of credit rating agencies. | 3+7=10 |
| 3. Discuss about financial and operating lease. | 5+5=10 |
| 4. What is meant by leasing? Differentiate between lease financing and hire purchase system. | 2+8=10 |
| 5. Highlight the importance of factoring and also elaborate on the services it offers. | 5+5=10 |
| 6. Discuss about venture capital and the importance of venture capital. | 3+7=10 |
| 7. Write short notes on the following:
a) Bill Discounting
b) Underwriting | 5+5=10 |
| 8. Explain about mutual fund and classify the various types of mutual fund schemes for the purpose of investments. | 2+8=10 |

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