

**BACHELOR OF BUSINESS ADMINISTRATION
SIXTH SEMESTER [SPECIAL REPEAT]
FINANCIAL SERVICES
BBA – 604C**

**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. Which of the following is not the distinct characteristic of financial services?
 - a. Intangibility
 - b. Separability
 - c. Human dominance
 - d. Perishability
2. Which of the following are NOT the challenges faced by financial services industry?
 - a. Lack of awareness among investor
 - b. Lack of qualified personnel
 - c. Elimination of regional disparity
 - d. Lack of efficient management
3. In which of the leasing types, the lessor lease the assets to a single leasee over expected life of an assets?
 - a. Financial lease
 - b. Operational lease
 - c. Sale and lease
 - d. Domestic lease
4. According to the SEBI (Merchant Banking) Regulations 1992, categories II include
 - a. To carry on any activity relating to issue management and act as adviser, consultant manager, underwriter and portfolio manager for capital issues.
 - b. To act as adviser, consultant, co-manager, underwriter and portfolio manager for capital issues.
 - c. To act as underwriter, adviser, and consultant to an issue.
 - d. To act only as adviser or consultant to an issue.
5. A set of complex and closely connected instructions, agents, practices, markets transactions, claims and liabilities relating to financial aspects of an economy is referred as
 - a. Financial system
 - b. Financial market
 - c. Financial institution
 - d. Financial services
6. From the following identify the parties involved in factoring
 - a. Buyer, seller and factor
 - b. Buyer and seller
 - c. Only Seller
 - d. Only Buyer

7. Which of the following is not a problem faced by merchant banker?
- a. SEBI guidelines have authorized merchant bankers to undertake issue related activities only with an exception of portfolio management.
 - b. There is no exact regulatory framework for regulating and controlling the working of merchant banks in India.
 - c. cooperation of the issuing companies in timely allotment of securities and refund application money
 - d. Unhealthy competition among large number of merchant banks
8. Risk due to internal environment of a firm or those affecting particular industry are referred to as
- a. Unsystematic risk
 - b. Systematic risk
 - c. Normal risk
 - d. Abnormal risk
9. In factoring, there is no direct contract involved
- a. Between debtor (buyer) and the seller
 - b. Between debtor (buyer) and the factor.
 - c. Between seller and factor
 - d. None of the above.
10. Which of the following is not a type of factoring
- a. Invoice factoring
 - b. Non-recourse factoring
 - c. Agency factoring
 - d. None of the above.
11. A combination of various investment products like bonds, shares, securities, mutual funds and so on is called as
- a. Portfolio
 - b. Investment
 - c. Speculation
 - d. Gambling
12. Which of the following is not a feature of stock exchange?
- a. Market for securities
 - b. Deals in first hand securities
 - c. Regulates trade in securities
 - d. Both A and B
13. Which of the following bodies regulated mutual fund in India?
- a. Reserve Bank of India
 - b. Banking Regulation Act
 - c. SEBI
 - d. IRDAI
14. Which of the following is not a main element of leasing?
- a. The lessee undertakes to pay to lessor regularly lease rental, as consideration for the use of the goods
 - b. The goods must be returned to the lessor exactly in the same form, after the lease Period is over.
 - c. The lessor, after handing over possession of the leased asset, remains owner of the asset throughout the lease period and even thereafter.
 - d. The agreement must not necessarily satisfy the essentials of a valid contract as per the Indian Contract Act

15. SEBI stands for
- a. Share and Electoral bond of India
 - b. Securities and Exchange Board of India
 - c. Securities and Electoral Board of India
 - d. All of the above.

16. Which of the following is not a role of merchant banker in issue management?
- a. Facilitate Easy fund raising;
 - b. Function as Financial consultant
 - c. Perform Underwriting duties.
 - d. Undertake function as auditor of the company.

17. Based on the figure, identify the types of factoring referring to

Finance	Collection from debtor	Sales Administration	Risk
Yes	No	No	Yes

- a. Full factoring
- b. Maturity Factoring
- c. Invoice factoring
- d. Agency factoring

18. Statement 1: Mutual funds provide a lucrative opportunity to the small investors make investment in a security and gain through interest and capital appreciation.

Statement 2: Mutual funds diversified the risk involved in investment.

- a. Both 1 and 2 is true
- b. Both 1 and 2 is false
- c. 1 is true, 2 is false
- d. 1 is false, 2 is true

19. Which of the following statement in context of hire purchase is correct?
- a. Under hire purchase system, the buyer takes possession of goods immediately and agrees to pay the total hire purchase price in installments.
 - b. The ownership of the goods passes from the seller to the buyer on the payment of the first installment.
 - c. The hirer has the right to terminate the agreement any time before the property passes.
 - d. All statements are correct

20. Ram invested in Combined mutual Fund. Which of the following is return expected by him?
- a. Income only
 - b. Capital Appreciation Only
 - c. Both Income and Capital Appreciation
 - d. None 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]

1. What is financial service? Distinguish between fee based and fund based financial services. Explain the challenges faced by financial services industry prevailing in India. 2+3+5=10
2. Explain the concept of merchant banking. Illustrate how merchant banking is different from commercial banking. Explain the Classification and regulation of merchant bankers by SEBI. 2+3+5=10
3. Explain the meaning of leasing. How many parties are involved in leasing? Enumerate the different type of lease. 2+3+5=10
4. What is mutual fund? State the advantages of mutual funds. Mention the different types of mutual fund. 2+3+5=10
5. Explain the following terms 5+5=10
 - a) Types of issues.
 - b) Project counselling
6. State the meaning of factoring. Illustrate the parties constituting the factors. Enumerate the mechanism involved in factoring process. 2+3+5=10
7. Explain the clauses of leasing contract. Mention the different types of factoring in practice. 5+5=10
8. Explain the following terms:- 5+5=10
 - a) Corporate counselling.
 - b) Loan Syndication

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