

Part
26/09/2024

Paper / Subject Code: 86005 / Elective : Finance: Innovative Financial Services

TYBMS Sem-VI Rev16 Examination Sep/Oct - 2024

Sub :- Innovative Financial Services.

TIME: 2.5 Hours

MARKS: 75

Note: 1. Q1 is compulsory.

2. Q2 to Q5 are compulsory with internal choice.

3. All questions carry equal marks.

Q1. (A) Select the correct answer from the multiple choice questions (Any 8) (8)

1. _____ is a privileged of credit card offered to the family members.
(a) Add-on cards (c) Debit cards
(b) Credit cards (d) Health cards
2. It is mandatory that all public issues should be managed by _____
functioning as the lead managers.
(a) Underwriters (c) Bankers
(b) Brokers (d) Merchant Bankers
3. _____ is fund based services.
(a) Credit Rating (c) Hire purchase
(b) Stock broking (d) Custodian services
4. Apex institution of housing sector is
(a) National Housing Banks (c) RBI
(b) SEBI (d) IDBI
5. Under forfaiting the client is able to get credit facility to the extent of _____
(a) 60% of the value of the export bill
(b) 80% of the value of the export bill
(c) 100% of the value of the export bill
(d) 20% of the value of the export bill
6. The bill should have maximum of _____ days.
(a) 60 (b) 90 (c) 180 (d) 360
7. Credit Protection is available in _____
(a) Without Recourse factoring (c) Bill discounting
(b) With recourse factoring (d) securitization
8. _____ is the process of updating the accounts of the trading parties.
(a) Underwriting (c) Banking
(b) Clearing (d) securitization
9. _____ refers to the raising of finance by individual for the acquisition of
durable consumer goods.
(a) Factoring (b) Leasing (c) Bill discounting (d) Consumer Finance
10. Category _____ Merchant banker can act only as advisor or consultant to an
issue.
(a) I (b) II (c) III (d) IV

Q1. (B) State whether following statements are True or False (Any 7) (7)

1. Bill Discounting is a short term source of finance.
2. A certificate of registration should be obtained from SEBI to act as a clearing member.
3. Lessor is the owner of the property or assets who gives it on lease.

4. Smart card is a tiny integrated circuit chip card.
5. The first credit rating agency in India is CRISIL.
6. PIN stands for Personal Identification Name.
7. The non-fund based services are called asset based services.
8. The rolling settlement system is adopted by RBI.
9. CIBIL Rank is between 1 and 10 with 1 being worst and 10 being best.
10. AAA long term debt instruments carry highest credit risk.

- Q2. (A) What are the characteristics of financial services? (7)
(B) What are the services provided by Merchant Banker? (8)

OR

- Q2. (P) Explain the features of Venture Capital. (7)
(Q) Explain the various sources of Consumer Finance. (8)

- Q3. (A) Distinguish between Factoring and Bill Discounting. (7)
(B) List out the function of stock broker. (8)

OR

- Q3. (P) Explain the sources of funds of Housing Finance. (7)
(Q) Explain various types of plastic cards. (8)

- Q4. (A) Explain types of Factoring. (7)
(B) Define Securitisation. Explain the benefits of Securitization. (8)

OR

- Q4. (P) State the advantages of Hire Purchase. (7)
(Q) Describe Credit Rating process. (8)

Q5. On 1st April, 2018 Trend Ltd purchased machinery from Reliance Ltd on hire purchase basis. The cash price of the machinery was rs.5, 00,000. The payment was to be made rs.1,00,000 on the date of agreement and balance in four annual instalment of rs.1,00,000 plus interest at 8% p.a payable on 31st March each year. The first instalment being payable on 31st March, 2018. Prepare Machinery A/c and Reliance Ltd A/c in the books of Trend Ltd, assuming that the account are closed on 31st March every year and depreciation at 10%p.a is charged on the original cost. (15)

OR

Q5. Write a short notes on: (any 3) (15)

1. Problems in Financial Services.
2. Stock brokers.
3. National Housing Bank
4. Benefits of Credit Cards.
5. Credit Rating Agencies
