



Reg. No. :

Name :

**Third Semester B.Com. Degree Examination, January 2015
(Career Related First Degree Programme Under CBCSS)
Group 2 (b) : COMMERCE WITH COMPUTER APPLICATION
Core Course X – CC 1344 : Financial Services**

Time : 3 Hours

Max. Weight : 30

SECTION – A

I. This Section consists of **four** bunches of **four** questions **each**. **Each** bunch carries a weightage of **1**. Answer **all** questions.

A) Choose the most appropriate answer from the following :

1) The following one is a kind of fee based activity of a financial intermediary

- | | |
|----------------------------|---------------------------|
| a) Hire purchase financing | b) Leasing |
| c) Capital issue market | d) Underwriting of shares |

2) The first Indian Bank to set up Merchant banking division

- | | |
|-------------------------|-------------------|
| a) Punjab National Bank | b) Canara Bank |
| c) S.B.I. | d) Syndicate Bank |

3) A financial lease is also known as

- | | |
|-------------------|-----------------------|
| a) Service lease | b) Capital lease |
| c) Leverage lease | d) Cross border lease |

4) EMI stands for

- | |
|-------------------------------|
| a) Earning Monthly Income |
| b) Earning Monthly Interest |
| c) Equated Monthly Instalment |
| d) Earning Monthly Investment |



- B) 5) CRISIL is basically a
- a) Banking institution
 - b) Stock brokers
 - c) Credit-rating agency
 - d) NBFC
- 6) The apex housing finance institution in the country is
- a) IDBI
 - b) IRCA
 - c) RBI
 - d) HDFC
- 7) Refactoring charges have to be paid in the case of
- a) Maturity factoring
 - b) With recourse factoring
 - c) Invoice factoring
 - d) Full service factoring
- 8) In India, forfeiting is done by
- a) EXIM Bank
 - b) SEBI
 - c) RBI
 - d) IDBI
- C) 9) The concept of securitisation is associated with
- a) Capital market
 - b) Money market
 - c) Debt market
 - d) Foreign exchange market
- 10) IICRA is a
- a) Public Ltd. Co.
 - b) Pvt. Ltd. Co.
 - c) Foreign Co.
 - d) Co-operative Society
- 11) Venture capital originated in
- a) France
 - b) Britan
 - c) USA
 - d) Germany
- 12) In financial lease _____ bears the risk of obsolescence.
- a) Lessee
 - b) Lessor
 - c) Intermediary
 - d) None of these
- D) Match the following.
- 13) Stock Exchange
 - 14) Loan Syndication
 - 15) Credit rating
 - 16) Venture capital
 - a) Standard of poor
 - b) Risk financing
 - c) BSE
 - d) Fee based service
 - e) Insurance service

(4×1=4 Wt.)

**SECTION – B**

II. Answer eight questions in one or two sentences each. Each question carries weightage of 1.

- 17) What do you understand by financial engineering ?
- 18) Define venture capital.
- 19) Expand CRISIL.
- 20) What is operating lease ?
- 21) What is 'with recourse factoring' ?
- 22) What is securitisation ?
- 23) Write down any two features of hire purchase.
- 24) What is 'underwriting' ?
- 25) What is deep discount bond ?
- 26) Write down any two fund based financial service.
- 27) What is consumer credit ?
- 28) What are 'sweat shares' ?

(8×1=8 Wt.)

SECTION – C

III. Answer any five questions in not exceeding one paragraph each. Each question carries a weightage 2.

- 29) Distinguish Merchant banks with commercial banks.
- 30) What are the steps involved in leasing transactions ?
- 31) What are the features of venture capital financing ?
- 32) Explain any four benefits of factoring to the clients.
- 33) Distinguish between capital market and money market.
- 34) Examine the role of a merchant banker in the corporate enterprise.
- 35) What are the parameters of the best house loan ?
- 36) What are the functions of a credit rating agency ?

(5×2=10 Wt.)



SECTION - D

IV. Answer any two questions in not exceeding four pages each. Each question carries a weightage of 4.

37) Define financial service industry and discuss the various services rendered by it.

38) Explain the different types of factoring and their significance.

39) Who are the parties of securitisation ? What are the various stages involved in the working of securitisation ? (2x4=8 Wt.)
