

(6 pages)

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Sub. Code : GMBA 4 A

B.B.A. (CBCS) DEGREE EXAMINATION, APRIL 2015.

Fourth Semester

Business Administration — Main

Elective — FINANCIAL SERVICES

(For those who joined in July 2012 and afterwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions

Choose the correct answer:

1. Investment manager of a mutual fund who manages the assets of the mutual fund and is responsible for operating all the schemes of the fund.
- (a) Asset management company
  - (b) Liquidity management company
  - (c) Profit management company
  - (d) None of the above

2. Regulations contained in the legislations brought in by the government from time to time keeping in mind the need for all round development of the financial services industry.
- (a) Institutional regulations
  - (b) Legislative regulations
  - (c) Prudential regulations
  - (d) None of the above
3. Non-banking companies should compulsorily get credit rating for their
- (a) Capital market instruments
  - (b) Money market instruments
  - (c) Debt market instruments
  - (d) None of the above
4. The entire lease rental is treated as \_\_\_\_\_ in the books of lessor.
- (a) Income
  - (b) Expenditure
  - (c) Profit
  - (d) None of the above
5. The facility offered to investors to shift from one scheme to another under the same fund is called
- (a) Lateral shifting facility
  - (b) Roll over facility
  - (c) Re-issue facility
  - (d) None of the above

Page 2      Code No. : 12687





6. Associations of people who agree to save their money together and in turn provide loans to each other at relatively lower rates of interest.  
 (a) Commercial banks (b) Middlemen  
 (c) Credit union (d) None of the above
7. Under forfeiting the client is able to get credit facility to the extent of \_\_\_\_\_ of the value of the export bill.  
 (a) 80% (b) 100%  
 (c) 50% (d) None of the above
8. In the implementation stage of a project venture capital firms provide \_\_\_\_\_ finance.  
 (a) Start up (b) Seed  
 (c) Establishment (d) None of the above
9. The minimum networth for the first category of merchant banker is  
 (a) Rs. 1 Crore (b) Rs. 2 Crores  
 (c) Rs. 5 Crores (d) None of the above
10. Credit rating indicates the \_\_\_\_\_ status of a company.  
 (a) Managerial (b) Financial  
 (c) Market (d) None of the above

Page 3 Code No. : 12687

**PART B — (5 × 5 = 25 marks)**

Answer ALL questions, choosing either (a) or (b) in 250 words.

11. (a) What are the features of financial services?

Or

- (b) State the regulatory framework available for insurance services.

12. (a) What are the advantages of leasing?

Or

- (b) Write down the terms of agreement as prescribed under the provisions of the Hire Purchase Act, 1972.

13. (a) What are the main features of close-ended mutual funds?

Or

- (b) What are the various types of credit cards?

14. (a) What are the salient steps involved in forfeiting?

Or

- (b) What factors does a venture capitalist consider before making start-up advance?

Page 4 Code No. : 12687  
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15. (a) Distinguish between Merchant Banks and Commercial Banks.

Or

- (b) What are the benefits of credit rating to the investors?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b) in 600 words.

16. (a) Explain the characteristics of financial services.

Or

- (b) Discuss the problems faced by the financial service sector.

17. (a) Explain the fund based and non-fund based activities of the financial services company.

Or

- (b) Discuss the different types of lease available in India.

18. (a) Explain the working mechanism of an Asset Management Company.

Or

- (b) Outline the various terms and conditions of extension of consumer finance.

Page 5      Code No. : 12687

19. (a) Discuss the various functions that are performed by a factor.

Or

- (b) Explain the suggestions for the success of venture capital in India.

20. (a) Discuss in detail the services provided by the Merchant Bankers.

Or

- (b) Explain the organization and working of CRISIL.

Page 6      Code No. : 12687

