

FYBAF sem II Reg & A.T.K.T. Exam march - 2020
03/3/20

Class FYBAF SEM -II Subject : INNOVATIVE FINANCIAL SERVICE

Duration : 2 and half hour

Marks 75

Note : All questions are compulsory , subject to internal choice.

: Figures to the right indicate full marks.

: Use of simple calculator is allowed



Q-1 (a) Fill ups (any 8)

(8)

- 1) _____ refers to capital which is available for financing the new business ventures.
- 2) _____ is an apex housing finance institution in the country.
- 3) _____ requires letter of credit.
- 4) A _____ is a contract between two parties which derives its value/price form an underlying asset.
- 5) _____ is the process of turning assets into securities.
- 6) _____ is an involuntary exit forced on the VCI as a result of a totally failed investment.
- 7) The growth in _____ finance is considered an important barometer measuring growth in an economy
- 8) _____ is an apex housing finance institution in the country.
- 9) _____ is used to estimate the worthiness of the credit for the company country or any individual company.
- 10) In a _____ the lessor transfers to the lessee, substantially all the risks and rewards incidental to the ownership of the asset.

Q-1 (b) State true or False (any 7)

(7)

- 1) Leasing is a mechanism of financing the cost of an asset.
- 2) The main function of a lessor is lending of funds rather than renting of asset
- 3) The lessor is owner of the asset but the possession and economic use of the asset vests in the lessee
- 4) AAA (triple A) given by CRISIL , for debentures ensures highest safety.
- 5) Rating helps in recognizing the risk involved in the investment.
- 6) Smart card technology is easy to duplicate or forge.
- 7) Demand deposits cannot be accepted by NBFCs.
- 8) Underwriters agree to take up securities which are not fully subscribed.
- 9) The venture capital financing is highly risky.

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10) Credit cards can be used for payments in foreign currency.

Q-2 (a) Obligations and Responsibilities of Merchant Banker as per SEBI (15)

OR

Q-2 (b) Derivative trading --Use of Derivatives, Types of Derivative (7)

Q-2 (c) Advantages of Factoring (8)

Q-3 (a) Compute the effective cost of factoring from the following details. (8)

Credit sales = Rs.12,00,000, Average collection period = 3 months Factor's reserve = 20%

Factor's commission = 4%, Bad debts = 2%, Collection expenses = Rs.20,000 p.a, Interest = 18% p.a

Q-3 (b) Types of Smart cards and Security Features (7)

OR

Q-3 (c) Underwriter - Definition, Meaning and Importance of Underwriter, Classification of Underwriters (15)

Q-4 (a) Prevention of Frauds and Misuse of Credit cards, its ways. (15)

OR

Q-4 (b) Meaning of Lease. Essential elements of Leasing (7)

Q-4 (c) Advantages of Hire Purchase (8)

Q-5 Explain and Credit rating agencies in India CRISIL Ltd, ICRA Ltd, CARE Ltd, FITCH Ltd SMERA. (15)

OR

Q-5 Write short notes on : (any 3) (15)

- 1) Dangers of Debit cards
- 2) Difference between Non-Banking Financial company and a Bank (NBFC)
- 3) Functions of a Factor
- 4) Steps in stock trading
- 5) Features of Securitisation