

Sy. BIM sem-III 31/oct/18 Reg.

Duration: 2 Hours & 30 Minutes

Maximum Marks:

75

- Note: 1) All questions are compulsory, Subject to internal choice.  
2) Figures to the right indicate full marks.

Q 1 A) Fill in the Blanks (Any 8)

08

- 1) \_\_\_\_\_ is a long term investment in growth-oriented small/medium sized start-up firms. (Merchant banking, NBFC, Venture capital)
- 2) The \_\_\_\_\_ is the principal housing finance agency in India. (ABH, HDFC, NHB)
- 3) The National Housing Bank is established in the year \_\_\_\_\_. (1950, 1988, 1990)
- 4) \_\_\_\_\_ can be defined as a right to use equipment or capital goods on payment of some payment in form of rent. (Lease, Venture capital, Securitisation)
- 5) A \_\_\_\_\_ acts on behalf of a stockbroker for assisting investors in buying, selling or dealing. (broker, sub-broker, underwriter)
- 6) NHB stands for \_\_\_\_\_ Housing Bank. (Nominal, National, Nagpur)
- 7) \_\_\_\_\_ are the persons mainly concerned with the procurement of subscription to the issue from the investor. ( Bankers, Brokers, Venture capitalist)
- 8) NBFC stands for \_\_\_\_\_ finance companies. (Non-broker, Non-banking, National)
- 9) \_\_\_\_\_ make a commitment to get the issue subscribed either by others or by themselves. (Company, Leaser, Underwriter)
- 10) The most commonly used derivative contracts are \_\_\_\_\_ futures and options. (forward, shares, debentures)

Q 1 B) Match the Column (Any 7)

07

Group A		Group B	
1	Derivative	A	Form of export financing
2	Factoring	B	Derivative instrument
3	Forfaiting	C	Forwards, futures and options
4	AAA	D	Discounting trade bills
5	Call and Put	E	Forms of consumer financing
6	Contract notes	F	Housing finance agencies
7	Debit and Credit cards	G	Highest degree of safety
8	LIC Housing Finance Ltd.	H	Ownership is not transferred
9	Hire Purchase	I	Issued by brokers
10	Leasing	J	Ownership is transferred

Q 2 A) Define Financial Services. Explain problem in financial service sector.

08

B) What is Forfaiting? How is forfeiting different from factoring?

07

OR

- C) A firm furnishes you the following details: 08

Total Credit Sales	Rs. 12,00,000
Average Collection Period	90 days
Factor commission	2 %
Reserve to be made by factor	10%
Interest charged by factor	16 %

Calculate the total cost of factoring assuming 360 days a year

- D) Explain problems in financial service sector. 07

- Q 3 Define Merchant Banking. Describe role of Merchant Banking. 08

- A) 07  
 B) Define Securitization. Explain the importance of Securitization. 07

**OR**

- C) Write down the functions of Banker to an issue in issue management of company. 08

- D) Define the term Stock broker, sub broker and foreign broker. 07

- Q 4 Define Venture Capital. Elaborate the merits and demerits of Venture Capital 08

- A) Financing. 07  
 B) Write a note on Leasing. Distinguish between Financial Lease and Operating Lease. 07

**OR**

- C) Mr. Dutch purchased Machinery on hire purchase system. The cash Price is Rs. 31,70,000, payable 20% down payment and remaining in 4 yearly instalment of Rs. 8,00,000 each. Interest charged @ 10 % p.a. Calculate Interest. 08

- D) Explain Housing Finance and state it advantages? 07

- Q 5 Explain the advantages and disadvantages of Consumer finance. 08

- A) 07  
 B) What is Credit rating? Explain any two credit rating agency in India 07

**OR**

- C) Write Short Notes (Any 3) 15

1. Credit Cards
2. Forward Contracts
3. Pass through certificate
4. Hire- Purchase System
5. Credit rating process