

Time: 2½ hrs.

Marks:75

Note:

1. All questions are compulsory with internal choice.
2. Draw neat diagrams wherever necessary.
3. Figures to the right indicate full marks.

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**Q.1 (A) Fill in the blanks with the correct answer from the alternatives given below. (08)**  
**(Attempt any 8)**

- i) A \_\_\_\_\_ is defined as, "any person who is engaged in the business of issue management".
  - a) factor
  - b) insurer
  - c) merchant banker
  - d) manager
- ii) Financial Services can be classified into \_\_\_\_\_ broad types of services.
  - a) two
  - b) three
  - c) four
  - d) five
- iii) Financial Services are \_\_\_\_\_.
  - a) intangible
  - b) inseparable
  - c) variable
  - d) all of the above
- iv) \_\_\_\_\_ is the process of turning assets into securities.
  - a) Factoring
  - b) Forfaiting
  - c) Securitization
  - d) Venture capital
- v) It is important to note that in the leasing contract, ownership of assets is with the \_\_\_\_\_.
  - a) Lessor
  - b) Lessee
  - c) No one
  - d) Both (a) and (b)
- vi) \_\_\_\_\_ is the outright purchase price of goods.
  - a) Cash price
  - b) Hire purchase price
  - c) Down payment
  - d) Up price

- vii) At present there are \_\_\_\_\_ credit information companies in india.  
 a) one  
 b) two  
 c) three  
 d) four
- viii) The bills should have a maximum of \_\_\_\_\_ days.  
 a) 90  
 b) 180  
 c) 30  
 d) 120
- ix) Bill Discounting is governed by the \_\_\_\_\_.  
 a) Negotiable Instruments Act  
 b) The Contract Act  
 c) Sale of Goods Act  
 d) None of the above
- x) The securities and exchange board of india (SEBI) was constituted in \_\_\_\_\_.  
 a) 1988  
 b) 1990  
 c) 1992  
 d) 1987

**Q.1 (B) State whether the following statements are true or false. ( Attempt any 7)**

**(07  
)**

- i) The venture capital is technology finance.  
 ii) The main function of lessor is lending of funds rather than renting of asset.  
 iii) Securitization is the process of turning assets into securities.  
 iv) Underwriting an issue is optional and not mandatory.  
 v) Securitisation is the process of integration and differentiation.  
 vi) Venture capital financing is highly risky.  
 vii) Leasing is a mechanism of financing the cost of an asset.  
 viii) The merchant bankers are exposed to the risk of under subscription.  
 ix) Stock broker means a member of the stock exchange .  
 x) Underwriters agree to take up securities which are not fully subscribed.

**Q.2 (a) Explain functions of financial system/services**

**(07  
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**(b) Explain features of financial services.**

**(08  
)**

**OR**

**Q.2 (p) Explain types of financial services .**

**(07  
)**

**(q) What is factoring ? explain its advantages .**

**(08  
)**

Q.3 (a) Ms.Shaina purchased machinery from ABC Ltd. for Rs. 4,00,000 on hire purchase basis, (15 )

Rate of Interest = 10%

Down Payment = Rs 1,00,000

No of year = 3

Depreciation rate = 10%

Installments = Rs. 1,00,000 (without interest)

Pass necessary journal entry in the books of Ms. Shaina .

OR •

Q.3 (p) Explain role of underwriter (07 )

(q) Explain role of stock broker. (08 )

Q.4 (a) Explain features of venture capital. (07 )

(b) Explain functions of merchant banks. (08 )

OR

Q.4 (p) Explain role of Financial Intermediaries. (07 )

(q) Explain types of Leasing. (08 )

Q.5 (a) Explain features of plastic money. (07 )

(b) Explain advantages and disadvantages of consumer finance. (08 )

OR

Q.5 Write a short note on : (Attempt any 3) (15 )

i) Financial system

ii) Derivative market

iii) Housing Finance

iv) Credit rating

v) Forfaiting

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