LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – **HONOURS**

FIFTH SEMESTER - NOVEMBER 2023

UBH 5601 – FINANCIAL SERVICES

Date: 31-10-2023	Dept. No.	Max. : 100 Marks
Time: $0.000 \text{AM} = 1.000 \text{A}$) NOON	

	SECTION A - K1 (CO1)	
	Answer ALL the Questions (10 x 1 = 10)	
1.	MCQ (10 X 1 - 10)	
a)	The financial system is the process by which money flows from	
b)	Which of the following are securities? A certificate of deposit B. A share of Texaco common stock C. A Treasury Bill D All of the above	
c)	Which among the following has high risk as an outstanding feature? A. Venture capital B. Mutual funds C. Debenture finance D. Government bonds	
d)	Select one among the following that is not a fee-based financial service.	
	A. Lease financing B. Profit management C. Corporate counselling D. Issue management	
e)	In India, which company deals with the corpus of mutual funds? A. Trustee Company B. Asset management company C. Sponsor Company D. Mutual fund company	
2.	True or False/	
a)	Financial markets are vulnerable to unfair trading practices, unfair conditions, and contractual difficulties.	
b)	The process of financial intermediation is also known as direct finance	
c)	SEBI always protect the interest of investors-	
d)	NABARD is India's specialized bank for agriculture and rural development in India	
e)	SEBI has liberalized many stringent conditions so as to boost the capital and money markets	
	SECTION A - K2 (CO1)	
	Answer ALL the Questions (10 x 1 =	
	10)	
3.	Expand	
a)	IPO	
b)	IRDA	
c)	SEBI	
d)	OTCEI	
e)	NBFC	
4.	Fill in the Blanks	
a)	Securities of companies are traded in the secondary market	
b)	National Stock Exchange of India is situated in	
c)	All activities related to finance and organized into a system called	
d)	The process of selling the foreign trade debts to a financial institution is called	

e)	In India, AMC must be registered with	
	SECTION B - K3 (CO2)	
Answer any TWO of the following in 100 words each. $(2 \times 10 = 20)$		
5.	Illustrate Mutual funds route offers several important benefits to the small investor." What are	
	these benefits?	
6.	Demonstrate the meaning and importance of credit rating	
7.	Sketch the benefits derived by a business through factoring	
8.	Interpret the various activities undertaken by an issue manager while managing a public issue	
	SECTION C – K4 (CO3)	
Ans	wer any TWO of the following in 100 words each. (2 x 10 = 20)	
9.	Analyse the recent trends that are emerging in the Indian payment business	
10.	Explain if you are a Merchant banker, what issues would you consider before accepting a public	
	issue proposal of a company? Briefly discuss.	
11.	The turnover of R Ltd. is Rs.60 lakhs of which 80% is on credit. Debtors are allowed one month	
	to clear off the dues. A factor is willing to advance 90% of the bills raised on credit for a fee of	
	2% a month plus a commission of 4% on the total amount of debts. R Ltd. as a result of the	
	arrangement is likely to save Rs.21,600 annually in management costs and avoid bad debts at 1%	
	on the credit sales. A scheduled bank has come forward to make an advance equal to 90% of the	
	debts at an interest rate of 18% p.a. However, its processing fee will be at 2% on the	
	debts. Would you accept factoring or the offer from the bank? Explain the benefits of the same	
12.	Criticize the different types of mutual funds in detail	
	SECTION D – K5 (CO4)	
Ans	wer any ONE of the following in 250 words $(1 \times 20 = 20)$	
13.	Compare and contrast 'Leasing' and 'Hire Purchasing'. Why do companies go for leasing of	
	assets? Evaluate	
14.	Summarise the importance of venture capital financing and bring out the reason for its slow	
	growth in India	
	SECTION E – K6 (CO5)	
Answer any ONE of the following in 250 words $(1 \times 20 = 20)$		
15.	5. Construct Indian financial system and state the components of financial system	
16.	Develop the Securitization process and its merits and demerits	

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