

**MASTER OF BUSINESS ADMINISTRATION  
FOURTH SEMESTER [SPECIAL REPEAT]  
ADVANCE FINANCIAL SERVICES  
MBA – 403C**

**SET  
A**

**[USE OMR SHEET FOR OBJECTIVE PART]**

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

**(Objective)**

Marks: 20

*Choose the correct answer from the following:*

*1 × 20 = 20*

1. A set of complex and closely connected instructions, agents, practices, markets transactions, claims and liabilities relating to financial aspects of an economy is referred as:
  - a. Financial system
  - b. Financial market
  - c. Financial institution
  - d. Financial services
2. Which of the following is fund based services offered under financial services?
  - a. Issue management
  - b. Portfolio management
  - c. Corporate counselling
  - d. Hire Purchase
3. In which of the leasing types, the lessor leases the assets to a single leasee over expected life of an asset?
  - a. Financial lease
  - b. Operational lease
  - c. Sale and lease
  - d. Domestic lease
4. Which of the following is not an important of financial services?
  - a. Economic growth
  - b. Promotion of savings
  - c. Creation of employment opportunities
  - d. Regional disparity
5. CRISIL Ltd. was established in the year:
  - a. 1978
  - b. 1987
  - c. 1982
  - d. 1969
6. Which of the following is a challenge faced in financial industry in India?
  - a. Qualified personnel in the financial service sector.
  - b. Investor awareness about the various financial services.
  - c. Transparency in the disclosure requirements and accounting practices relating to financial services.
  - d. Non specialization in different financial services

7. Which of the following is not the benefit of credit rating agencies to the investor
- |   |                                  |
|---|----------------------------------|
| a. Safeguards against Bankruptcy:                 | b. Credibility of Issuer:        |
| c. Rating Facilitates Quick Investment Decisions: | d. Wider audience for borrowing. |
8. Which of the following statement is not correctly match?
- |  |   |
|--|---|
| a. FEMA-Foreign Exchange Management Act                | b. MRTP- Monopolies and Restrictive Trade Practices |
| c. LPG - Liberlisation Glocalisation and Privatisation | d. FIPB - Foreign Investment Promotion Board        |
9. In factoring, there is no direct contact involved
- |  |   |
|--|---|
| a. Between debtor (buyer) and the seller | b. Between client and debtors             |
| c. Between seller and factor             | d. Between debtor (buyer) and the factor. |
10. Which of the following is not a type of factoring?
- |                       |                           |
|-----------------------|---------------------------|
| a. Recourse factoring | b. Non-recourse factoring |
| c. Full factoring     | d. None of the above.     |
11. The full form of NASDAQ is
- |  |   |
|--|---|
| a. National Association for Securities Dealers Automated Quotation       | b. National Association for Securities Dematerialised and Automated Quotation |
| c. National Association for Share Dematerialised and Automated Quotation | d. National Association for Share Dealers Automated Quotation                 |
12. Which of the following is not a function of stock exchange?
- |                                       |   |
|---------------------------------------|---|
| a. Mobilising surplus savings:        | b. Barometer of economic and business conditions: |
| c. Contribution to capital formation: | d. Regulate insider trading.                      |
13. Which of the following is not a type of speculator in the securities markets?
- |              |           |
|--------------|-----------|
| a. Jobber:   | b. Bull   |
| c. Lame duck | d. Rabbit |
14. Which of the statement is incorrect regarding treasury bill?
- |  |  |
|--|--|
| a. It is issued by RBI on behalf of the Government.  | b. It is an instrument of long-term borrowing raised by the government having a maturity period not lesser than 360 days |
| c. These bills are issued in multiple of Rs. 25,000. | d. As no interest is provided, so it is also known as zero coupon Bond.  |

15. Which of the statement is wrongly stated in context to Bombay stock exchange?
- a. It is the oldest stock exchange in the entire Asia.
  - b. It is located in Dalal Street, Mumbai.
  - c. It has the largest number of companies of the world listed on it.
  - d. Nifty is the indexed used by Bombay Stock Exchange.
16. When a foreign company enters directly into an agreement with the depository bank of US for maintaining records, communicating with the ADR holders, payment of dividends and other shares. This is called
- a. Combined Sponsored ADR
  - b. Sponsored ADR
  - c. Non-Sponsored ADR
  - d. None of the above
17. The full form of CRISIL:
- a. Credit Rating Information Services of India Limited
  - b. Credit Ranking Information Services of India Limited
  - c. Credit Risk Information Services of India Limited
  - d. Corporate Rating and Information Services of India Limited
18. Statement 1: Commercial paper is an instrument issued in the form of a promissory note.  
Statement 2: Regulations of commercial paper comes under the purview of SEBI.
- a. Both 1 and 2 is true
  - b. Both 1 and 2 is false
  - c. 1 is true, 2 is false
  - d. 1 is false, 2 is true
19. Which of the following is not a benefit of leasing?
- a. Convenience in case of short-term need
  - b. Risk of Technological Obsolescence
  - c. Low Administrative and Transactions Costs
  - d. Efficient Maintenance Services
20. Which of the following bodies regulated the money market in India?
- a. SEBI
  - b. RBI
  - c. IRDAI
  - d. TRDA

**( Descriptive )**

Time : 2 Hr. 30 Mins.

Marks : 50

[ Answer question no.1 & any four (4) from the rest ]

- |  |          |
|--|----------|
| 1. What do you mean by financial services? Distinguish between fee based and fund based financial services. Enumerate the challenges faced by financial industries in Indian context.  | 10       |
| 2. Explain the concept of leasing. Mention the different types of leasing in practices. Highlight the essential elements of leasing contract.  | 5+3+2=10 |
| 3. What is factoring? State the function of factors. Explain the mechanism involved in factoring process.  | 2+3+5=10 |
| 4. What are American Depository Receipts? Distinguish between American depository Receipts and Global Depository Receipts on suitable basis. Highlight the advantages of ADR.  | 2+3+5=10 |
| 5. Explain the following terms:( <i>any two</i> )<br>a) External Commercial Borrowing<br>b) Instruments traded in Money Market.<br>c) Clauses of Leasing agreement<br>d) Crucial decision - buy or lease from both the parties prospective             | 5+5=10   |
| 6. Explain the concept of Credit rating. How is credit rating process undertaken by the credit rating agencies? Explain the benefits of credit rating from both the parties' prospective i.e crediting rating agencies and the corporate.              | 3+4+3=10 |
| 7. What are securities of debt? How many parties are involved in the process of securities of debt? State the merit and demerit of securities of debts.  | 2+3+5=10 |
| 8. What do you mean by hire purchase? Explain the advantages and disadvantages of hire purchase. State the criteria considered by making decision whether to choose hire purchase or leasing. Illustrate with suitable basis and draw your conclusion. | 2+3+5=10 |

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