

**MBA-10 (Master of Business Administration)**  
**Fourth Semester, Examination 2012**  
**FM-2105**  
**Management of Financial Services**

**Time: 3 Hours**

**Maximum Marks: 60**

**Note: This question paper is divided into three sections A,B and C.**

**SECTION – A**

**(This section contains four long answer type questions of 15 marks each. Learners are required to answer tow questions only) (2x15=30)**

Q- 1 “The financial system provides the intermediation between savers and investors and promotes faster economic development.” Examine the statement and explain the functions, importance and components of the financial system.

Q-2. Discuss in detail the ‘ pre-issue’ activities undertaken by a merchant banker.

Q-3 What is credit rating? What key factors are considered in rating process? Discuss the limitations of credit rating.

Q-4 Define leasing. What are its features? Explain the advantages and limitations of leasing. Discuss the status of leasing in India.

**SECTION – B**

**(This section contains 8 short answer type questions of 5 marks each. Learners are required to answer 4 questions only. Answer must be restricted to 250 words approximately) (4x5=20)**

Q- 1 Explain ‘cross border lease’ with the help of example.

Q- 2 Discuss the scheme of demutualization and corporatization of stock exchanges in India.

Q- 3 What in NAV of a mutual fund scheme? Discuss with suitable examples.

Q- 4 Explain the sources of funds for housing finance companies.

Q-5 Define mutual fund and state its advantages.

Q- 6 Discuss the meaning and feature of Venture Capital.

Q- 7 Describe the factors considered important for pricing of financial services.

Q- 8 Explain various factoring services and their advantages.

## SECTION – C

(This section contains 10 objective type questions of 1 marks each. Learners are required answer all the questions.)

(10x1 =10)

**Identify True of False from the following.**

- Q- 1 A new company can freely price its issue of shares.
- Q- 2 The corpus of the fund and its duration are prefixed under open-ended funds.
- Q- 3 The most liquid financial market is the call money market.
- Q-4 Building bought for hiring is a physical asset.
- Q- 5 Zero coupon bonds are sold at a discount to par value.

**Chose the most appropriate alternative.**

- Q- 6 Trade debts have to be assigned in favor of the finance company under;
- (a) Discounting (b) Forfeiting
- (c) Factoring (d) All of the above
- Q-7 The pattern of investment of a mutual fund is oriented towards fixed income yielding securities under;
- (a) Growth Fund schemes (b) Income fund schemes
- (c) Balanced fund schemes (d) MMMF schemes.
- Q-8 . An order for the purchase of securities at a fixed price is known as;
- (a) Limit order (b) Open order
- (c) Discretionary order (d) Stop loss order
- Q-9 Under factoring, the factor acts in the capacity of;
- (a) an agent of his client (b) a trustee
- (c) a holder for value (d) an administrator
- Q- 10 Which one of the following is a financial asset?
- (a) Gold (b) Silver
- (c) Land (d) Share