

Question Paper Set of

F.Y.B.I.M. – Sem-II

Regular Exam

University of Mumbai

April, 2018

Note: All questions are compulsory.

Numbers at right indicate marks.

Q1) a) Fill in the blanks (Any eight)

(08)

1. Investment intended to be held for less than 12 months is called _____ investment
 - a) Current
 - b) Long-term
 - c) Trade
 - d) Annual
2. The premium payable on redemption can be provided out of _____.
 - a) statutory reserve
 - b) security premium
 - c) insurance premium
 - d) capital redemption reserve
3. _____ Currency used in presenting the financial statements
 - a) Reporting Currency
 - b) Non-Foreign Currency
 - c) Official Currency
 - d) Indian Rupees
4. Non- cash items are not recorded in _____.
 - a) Income & Expenditure A/c
 - b) Balance Sheet
 - c) Profit & Loss A/c
 - d) Receipts & Payments A/c
5. The Capital Redemption Reserve is _____.
 - a) payment out of dividend
 - b) written off accumulated losses
 - c) issue of fully paid shares
 - d) for all of the above
6. Debentures is _____.
 - a) Fixed interest prior to shareholders
 - b) Variable interest prior to shareholder
 - c) Surplus
 - d) Deficit
7. Long term investments are carried at _____.
 - a) Fair Value
 - b) Cost Price
 - c) Market Price
 - d) Cost or Market whichever is low
8. Redeemable Preference shares can be redeemed _____.
 - a) Only out of the proceeds of the fresh issue of shares
 - b) only out of divisible profit
 - c) out of fresh issue and/or out of the divisible profit
 - d) none of the above

9. Non- monetary items are valued at _____.

- a) Market price b) current price c) historical cost d) fluctuating cost

10. The mean of the exchange rates in force during a period is known as

- a) Average Rate b) Closing Rate
c) Reporting Rate d) Fair Rate

b) state whether the following statement are True or False (Any seven) (07)

1. The Equity Share cannot be redeemed by a company.
2. Premium on redemption of preference shares can be met out of capital reserve.
3. Interest on calls in advance is allowed @ 10%.
4. Share forfeited balance is transferred to Capital Reserve Account.
5. The brokerage is payable on face value of investment.
6. Brokerage and expenses incurred on the purchase transaction of investment is not included in the cost of investment purchased.
7. Closing rate is the exchange rate at the close of the day on which a transaction takes place.
8. All receipts are the items of revenue income.
9. A company can redeem only fully paid preference shares.
10. Interest is paid to the holder of the security on the due date, in respect of his actual period of holding.

Q2) N Ltd issued 20,000 equity shares of Rs 10 each at premium of Rs 2 per share, payable Rs 3 on application, Rs 5 on allotment (including premium) and the balance by two equal calls. The due dates of the installments are: (15)

- Application on 1st April 2017
Allotment On 1st June 2017
First Call on 1st August 2017
Final Call on 1st October 2017

All the shares were duly allotted and the money so received on due dates with the exception of the following:

- Mr. A holding 2,000 shares paid the entire amount due along with allotment
- Mr. B holding 4,000 shares paid the amount due on first call with the amount due on final call.

Show journal entries (ignore interest on calls in advance and calls in arrears) in the books of the company.

OR

Q2) On 1st January, 2018 P Ltd. imported goods worth \$ 1,00,000 from T Ltd., USA. The payments were made as under: (15)

Date	Payments (\$)	Exchange Rate
18/01/2018	45,000	\$ 1=Rs.60
10/02/2018	18,000	\$ 1=Rs.59
18/03/2018	22,000	\$ 1=Rs.62
25/04/2018	15,000	\$ 1=Rs.60

Exchange rate on 01/01/2017 was \$ 1=Rs.58

Books are closed on 31st March every year. The exchange rate on 31/03/2017 was \$ 1=Rs.62

Pass necessary journal entries in the books of P Ltd. to record the above transactions and also prepare T. Ltd A/c in the books of P. Ltd for the year ended 31st march, 2017.

Q3) Mr. Mangal holds as on 1st April 2017 Rs. 1,50,000 (Cost price Rs. 1,56,000) 8 % Government Securities as investment on which interest is payable half yearly on 30th June and 31st December every year. The following transactions took place during the accounting year ended 31st March 2018. (15)

Purchases:

- On 1-5-2017 Face Value Rs. 60,000 @ 98 Cum-Interest
- On 1-11-2017 Face Value Rs. 90,000 @ 101 Ex-Interest

Sales:

- On 1-8-2017 Face Value Rs. 72,000 @ 97 Cum-Interest
- On 1-2-2018 Face Value Rs. 48,000 @ 102 Ex-Interest

Market price of investment at 1% discount on 31st March 2018. Prepare Investment Account closing 31st March 2018 in the books of Mr. Mangal. Investments are to be valued at cost or Market Value whichever is less. (Apply AS 13)

OR

Q3) The following is the Balance Sheet of R Ltd as on 31st March 2018

(15)

Liabilities	Rs	Assets	Rs
20,000 8% Redeemable preference Shares of Rs. 100 each fully paid up	20,00,000	Fixed Assets	80,00,000
40,000 Equity share of Rs. 100 each fully paid up	40,00,000	Investment (M.V. 8,80,000)	8,00,000
Securities Premium	3,20,000	Stock	14,00,000
General Reserve	12,00,000	Debtors	14,00,000
Profit & Loss A/C	3,20,000	Bank Balance	4,00,000
Current Liabilities	41,60,000		
	1,20,00,000		1,20,00,000

The 8% Redeemable Preference Shares are to be redeemed at a premium of 10%. Fresh Issue of equity shares to be made to the extent required in terms of the provisions of the companies Act 1956. All the investments are to be sold off at market value. Temporary Bank overdraft is to be arranged in case of shortage of funds.

The company redeemed the Preference shares on 1st April 2018 except in case of one shareholder holding 200 preference share who could not be traced.

Subsequently the company issued bonus shares in the ratio of one equity share for every four equity shares held in new issue.

Give necessary Journal Entries to record the above transactions in the books of R. Ltd.

Q4) Following is the Receipt & Payment Accounts and additional information of Fortis Hospital. Prepare Income & Expenditure Account for the year ending 31st March, 2018 and the Balance Sheet as on that date.

(15)

Receipts & Payments Account for the year ending 31st March, 2018

Receipts	Amounts	Payments	Amounts
To Balance b/d	12,000	By Medicines	20,000
To subscription		By Honorarium to Doctors	1,50,000
2016-17	15,000	By Maintenances charges	88,000
2017-18	1,90,000	By Equipment purchased	60,000
2018-19	30,000	By purchase of furniture	50,000
To Donation	1,10,000	By Fixed Deposit	2,00,000
To Life Membership fees	50,000	By Balance c/d	1,39,000
To Hospital receipts	30,000		
	7,07,000		7,07,000

Additional information:

- Outstanding subscription for 2015-16 is Rs.10,000.
- Equipment and Furniture were purchased on 01/04/ 2017 and both the assets were to be depreciated @ 20% p.a.
- Half of the Life Membership Fees and Donations are Fully capitalised.
- Medicine bill is outstanding Rs.15,000.
- On 1st April 2017 the Hospital had the following Assets & Liabilities – Land Rs.5,00,000, Investments Rs.3,00,000, Ambulance Rs. 2,05,000, Capital Fund Rs. 5,32,000.

OR

- Q4)a) L Ltd. issued 25,000, 7% Debentures of Rs. 100 each at a discount of 5% on 1st April, 2016. Amount payable was as follows – On Application Rs.20 ;
On Allotment Rs. 35 (Rs. 5 discount)
On final Call Rs. 40

Issue was fully subscribed & paid for, give journal entries.

- a) J Ltd. issued 20,000 shares of Rs. 100 each at a premium of Rs. 10 per share. The share amount was payable as under –

Application – Rs. 20;

First Call – Rs. 30;

Allotment – Rs. 40 (including Premium) ;

Final Call – Rs. 20

Application received for 20,000 shares. All shares were duly allotted. Pass necessary journal entries in the books of J Ltd.

- Q5) a) What is Preference share? Explain the types of preference shares.
b) Differentiate between shares and debentures.

(8)

(7)

OR

- Q5) Write short Notes on: (any three)

- Divisible profit
- Forfeiture of equity shares
- Reporting currency
- Private placement of shares
- Receipt and Payment Account.

(15)

Note: 1) All Questions are compulsory.

2) Figure to the right indicates full marks.

1.A Choose the correct alternatives (any eight)

(8)

- (i) _____ means integrating the national economy with the world economy.
(Globalisation, Privatisation, Socialisation)
- (ii) _____ farming is undertaken by large firms either by buying the land or taking land on lease basis.
(Corporate, Contract, Mutual)
- (iii) Human Rights have _____ application.
(Social, Political, Universal)
- (iv) The General Assembly adopted the UDHR on _____ 1948, at Paris.
(10th December, 11th December, 12th December)
- (v) _____ degrades the soil and makes the cultivation of the crops impossible.
(Deforestation, Desertification, soil erosion)
- (vi) _____ is the study of relationship between organisms and their environment.
(Biology, Sociology, Ecology)
- (vii) _____ refer to moral and social norms that are essential for the well-being of an individual, group or society.
(Values, Ethics, Prejudices)
- (viii) _____ are generalisations or assumptions about the characteristics of traits of people belonging to a group.
(Stereotypes, Prototypes, Sociotypes)
- (ix) The _____ needs lie at the highest level of the hierarchy of Maslow's Need Hierarchy Theory.
(Physiological, Social, Self-actualisation)
- (x) _____ don't believe in taking risk.
(Concealers, Attackers, Addressors)

1. B State whether the statement is True or False

(7)

- (i) Brain Drain is a positive impact of globalisation.
- (ii) Immigration means moving into a new country.

- (iii) The UDHR consists of 28 articles.
 - (iv) Writ can be issued only by Supreme Court.
 - (v) Abiotic components are non-living compound and physical elements in the environment.
 - (vi) Atmosphere regulates the global temperature.
 - (vii) Environmental factors are only factor causing stress.
 - (viii) Eustress are also known as negative stress.
 - (ix) Maslow's theory is on Human Motivation.
 - (x) Meditation is an effective method of relieving stress.
2. Discuss the concept of privatisation. Highlight the advantages and disadvantages of privatisation.

OR

What is migration? Discuss the causes and consequences of migration.

3. Discuss the civil, political and economic rights under UDHR.

OR

Explain the concept of human rights. What are the important landmarks in the development of modern human rights?

4. What is Sustainable Development? Discuss the basic components of Sustainable Development.

OR

What are the causes of aggression and violence? Discuss measures for resolving aggression and violence in society.

5. What is stress? Discuss various strategies to reduce stress.

OR

Write short notes on (any three):

- (a) Advantages of liberalisation
- (b) Right against exploitation
- (c) Air pollution
- (d) Family as agent of socialisation
- (e) Importance of values in society

18/04/18

o/c BMS/BAF/BBJ/BFM/BDM

Q. P. Code: 12169

Duration: 2½ hours

Total Marks: 75

N. B. 1) All questions are compulsory.

Q. I. A. Fill in the blanks with suitable options. (Any Eight): (08)

- 1) A/An provides written intimation about the date, time and venue of a business meeting.
(Notice / Resolution / Agenda)
- 2) A Structured Interview is
(pre – planned / unplanned / planned on the spot)
- 3) are based on the findings of a Business Report.
(Recommendations / Terms of Reference / Summary)
- 4) The primary objective of a/an Interview is to select the best candidate for the job. (Selection / Exit / Appraisal)
- 5) Conferences provide a valuable base for
(Seminars/Committees/Symposia)
- 6) Business meetings have a/an agenda.
(indefinite / dynamic / fixed)
- 7) A Group Interview is similar to a (Group Discussion / Panel Interview / Structured Interview)
- 8) Suggestion Schemes are an example of Communication.
(Upward / Downward / Zigzag)
- 9) Catalogue, Price-list and Product Literature are sent by a seller in response to a Letter of (Order / Complaint / Inquiry)
- 10) A conference should be (need based / choice based / quality based)

Q. I. B. Match the following (Any Seven): (07)

- | | |
|----------------------------|-----------------------------|
| 1) Motion | a) Vote of Thanks |
| 2) Conference | b) Review of Performance |
| 3) Promote Sales | c) Open House |
| 4) Last Item in the Agenda | d) Outgoing Employee |
| 5) Exit Interview | e) Give Latest Developments |
| 6) Bulletins | f) Proposal |
| 7) Appraisal Interview | g) Exchange of Views |
| 8) Skype | h) Discounts |
| 9) Group Communication | i) Group Discussion |
| 10) External PR | j) Video Chat |

- Q. 2 A. How should a candidate prepare himself for a Job Interview? (07)
 B. List and explain the factors that must be considered to organize a successful conference. (08)

OR

- C. What is a Grievance Interview? Why should it be conducted? (07)
 D. Define Public Relations. List and explain any five measures to promote the external Public Relations of an organization. (08)

- Q. 3 A. An educational institution requires one hundred and fifty desks for its classrooms. Draft a Letter of Inquiry addressed to Famous Furniture Mart asking for a price-list and catalogue. Use the Complete Block layout. (07)
 B. Mr. Gupta bought two dozen fruit drink cans from Super Bazar. On checking the cans at home Mr. Gupta realized that the cans sold to him were 20 days past their expiry date. Draft a Letter of Complaint on his behalf. Use the Modified Block layout. (08)

OR

- C. Draft an Investigative Report with recommendations about the unhygienic conditions in the canteen of Wonder Works Pvt. Ltd, Chembur, Mumbai. (10)
 D. Draft the Notice and Agenda for the Annual General Meeting of Phoenix Computers, Worli, Mumbai. (05)

- Q. 4 A. Draft a Sales Letter to promote a 'Vedic Maths and Abacus Center'. Use the Semi Block layout. (07)
 B. Amrit Lal had paid his telephone bill in time, yet his telephone line was disconnected on charges of non-payment. This has happened for the third consecutive month. Draft a letter on his behalf addressed to the Consumer Redressal Forum seeking compensation for the harassment and immediate restoration of the connection. Use the Complete Block layout. (08)

OR

- C. Draft an RTI Letter seeking information regarding your application for a driving license that has not been processed in spite of having passed the Driving Test and having submitted the required documents three months ago. (07)

D. Summarize the following passage:**(08)**

The educational philosophy of Swami Vivekananda is a harmonious synthesis between the ancient Indian ideals and modern Western beliefs. He not only stressed upon the physical, mental, moral, spiritual and vocational development of the child, but also advocated women's education, as well as education of the masses. The essential characteristics of the educational philosophy of Swami Vivekananda are idealism, naturalism and pragmatism. From a naturalist view point, he emphasized that real education is possible only through nature and natural propensities. From an idealist view point, he insisted that the aim of education was to develop the child with moral and spiritual qualities. From a pragmatist view point, he emphasized the need for Western education of technology, commerce, industry and science to achieve material prosperity. In short, first he emphasized spiritual development, then natural propensity, after that safety of life and then solving the problems of food and clothing of the masses.

Swami Vivekananda considered women to be the incarnation of power. He rightly pointed out that unless Indian women secure a respectable place in this country the nation can never move forward. The important features of his scheme for female education are, "Make women strong, fearless and conscious of their chastity and dignity". He insisted that men and women are equally competent not only in the academic matters, but also in other spheres of life. Swami Vivekananda being a keen observer could distinguish the difference in perception about the status of women in the West and in India. "The ideal woman in India is a mother, a mother first, and a mother last" he declared.

Q. V. Write short notes: (Any Three)**(15)**

- 1) Advantages of Conferences
- 2) Role of a Chairperson in a Business Meeting
- 3) Appraisal Interview
- 4) Videoconferencing
- 5) Functions of the Public Relations Department of an Organization

Q. P. Code : 35056

(2½ HOURS)

(Total marks :75)

**N.B. : ALL QUESTIONS ARE COMPULSORY
FIGURES TO THE RIGHT INDICATE FULL
USE OF CALCULATOR IS ALLOWED**

Q1a. Multiple choice questions (any 8)

(8)

1. _____ is a high level professional service that combines financial and investment advice.
a) Wealth management b) Financial planning c) Investment planning d) none of the above
2. _____ waives the policyholder's obligation to pay future premiums when he or she becomes seriously ill or disabled.
a) Critical illness rider b) Premium waiver c) income rider d) none of the above
3. Funds raised by company by issuing shares is known as _____.
a) Equity b) debt c) loan term loan d) project finance
4. _____ is the reduced amount of benefit that the policy owners shall get if he stops paying his premiums post first five years
a) Paid up value b) terminal bonus c) surrender value d) maturity proceeds
5. _____ does not hold voting rights in the company.
a) Equity holders b) Debt holders c) preference holders d) none of the above
- 6) _____ Annuity is where the premiums are to be paid till the policy term is over.
a) Deferred b) immediate c) annuity certain d) none of the above.
- 7) Premium paid for life insurance policies are eligible for tax deduction under section 80C up to maximum limit of Rs. _____.
a) 1,50,000 b) 2,00,000 c) 2,50,000 d) 3,00,000
- 8) _____ is a document which ensures appropriate disposal of assets after death.
a) Will b) Trust c) Power of attorney d) Partition
- 9) _____ risk is running out of money before you die is one of the primary concerns of most retirees.
a) Longevity b) interest rate c) market d) inflation
- 10) The _____ environment of the Indian economy is still evolving because of which there still is substantial vagueness in the jurisdiction of numerous regulators.
a) Regulatory b) external c) competitive d) none of the above.

Q1b State whether the following statements are true or false. (any 7)

(7)

1. Motor Vehicle Act, 1988 is an act which regulates all aspects of road transport vehicle.
2. Salary is a compensation which employee receives in exchange for service.
3. Project Finance is a long term financing of infrastructure and industrial projects based upon the projected cash flows of the project.
4. An estate is the net worth of a person at any point in time alive or dead.
5. Indian Succession Act applies to Christians.
6. Property insurance does not provide cover for residential and commercial property.
7. Joint Will is a single document executed by two parties.
8. Leave Encashment is a lumpsum amount paid by the employer to the employee for his utilized leaves.
9. Terminal Bonus indicates overall performance of policy and is given on policy after staying in policy for predetermined time period.

TURN OVER

10. Debt securities enable is not wide-based and inefficient portfolio diversification and thus does not help in portfolio risk mitigation.

Q2. ANSWER THE FOLLOWING QUESTIONS

- A. Explain venture capital and human capital in detail (8)
 B. Explain the role of debt in wealth management. (7)
OR
 P. What is wealth management? Explain various phases of wealth management. (8)
 Q. Distinguish between equity and debt as an asset class (7)

Q3. ANSWER THE FOLLOWING QUESTIONS

- A. Explain briefly various types of insurance policies. (8)
 B. i) Mr. A aged 50 bought a 250000 endowment policy on 27/02/1982 for which he paid a premium of Rs. 2250. Company declared a bonus of Rs. 25 per 1000 per year of sum assured. Mr. A unfortunately died on 27/02/2002. Calculate the death claim? (4)
 ii) State and explain any 3 types of insurance policy riders. (3)

OR

- P. What is Motor Insurance? State all the factors affecting the premium of Motor Insurance. (8)

- Q. i) Mr. X aged 40 bought an endowment policy of Rs. 600000 on 11th September, 2001. He paid a premium of Rs. 6000 (half yearly). Mr. X died on 11th May, 2016 and had an outstanding loan of Rs. 60000. He paid his last premium on 11-9-2015. Company declared a bonus of Rs. 60 per 1000 per year of sum assured. Calculate the Death claim? (4)

- ii) State and explain any 3 types of bonus. (3)

Q4. Answer the following questions

- A. What is Gratuity? Explain the calculation of Gratuity. (8)
 B. What is Defined Benefit Plan? State its benefits. (7)

OR

- P. What is Defined Contribution Plan? State its advantages. (8)
 Q. Elaborate various factors of retirement planning (7)

Q5. Answer the following questions

- A. What is Trust? State different types of Family Trust (8)
 B. What is estate planning? State the drawbacks of estate planning (7)

OR**Q5. Write short notes (any 3 out of 5)**

1. Types of will (8)
 2. Employee Provident Fund
 3. Angel Equity
 4. Retirement associated risk
 5. Professional indemnity insurance (7)

Maximum Marks: 75

Duration: 2 Hours & 30 Minutes

Note: 1) All questions are compulsory, Subject to internal choice.

2) Figures to the right indicate full marks.

Q1a. Fill in the blanks (any 7)

Marks

8

1. The external factor that affects the industry as a whole is termed as _____ risk, in capital market analysis.
2. _____ is an amount borrowed or lent on demand for a very short period.
3. If the forward exchange rate quoted is exact equivalent to the spot rate at the time of making the contract the forward exchange rate is said to be at _____
4. _____ is primarily done in two different ways to make profit from the future market.
5. _____ is the function of financial system.
6. _____ gives definition of stock exchange.
7. SEBI was established in the year _____
8. _____ is the function of financial system.
9. _____ are willing to make or take physical delivery because they are producers or users of the company.
10. SIDBI stands for _____

Q1B. State whether true or false (any 8)
marks

7

1. Capital and Money market are one and the same.
2. Call Money market is also known as inter bank loan market.
3. Currency based derivatives are complex financial instruments that are "derived" from the underlying currency exchange rate.
4. Commodity futures traders are required to deposits high margins.
5. Livestock Risk Protection (LRP) World like a call option.
6. Basis = Cash price - future price.
7. Speculators handle transactions on a commission basis for their brokers.
8. The Trades relating to the rolling settlement are settled on T+1 day basis.

9. SEBI does not help in prohibiting insider training in securities.

10. CDSL refers to central depository Securities limited.

Q2. 1) Explain the functions of financial system.
marks

2) What are the characteristics of Indian Financial services?

marks

Or

1) Distinction between Primary market & secondary market.
marks

Q.3 1) Explain about various types of Exchange rates.

2) What are the various participants of Capital Markets?

Or

1) Explain Advantages and Limitations of Money Markets.
Marks

Q4. 1) Distinction between forward contract and future contract.
marks

2. Who are the members involved in stock exchange?

Or

1. What are the advantages and disadvantages of derivatives.
marks

Q5. 1. What are the categories of shares traded in BSE and NSE?

2. What is derivatives and explain the need of derivatives

Or

Q5. Write short notes on: Any 3

1. Bombay stock exchange
2. Companies act 1956
3. Functions of SEBI
4. Secondary market
5. MCX

Q. P. Code : 35072

(2½ HOURS)

(Total Marks :75)

**N.B. : ALL QUESTIONS ARE COMPULSORY
FIGURES TO THE RIGHT INDICATE FULL MARKS
USE OF CALCULATOR IS ALLOWED**

Q 1.A) Fill in the blanks With Correct alternative (any eight).

8

1. An _____ is an individual who works in a financial institution that is in the business primarily of raising capital for companies, governments and other entities.
a) CEO b) CFO c) investment banker d) none of the above
2. _____ in general is a recreational activity than an activity to find an extra income.
a) Gambling b) Investment c) Savings d) none of the above
3. Alternative investment and property are -----
a) Defensive asset b) Growth asset c) Fixed asset d) None of the above
4. An ----- which helps organisation to raise capital?
a) Investment bank b) commercial bank c) venture capital firms d) All of the above
5. Market risk is also known as _____ risk.
a) systematic b) unsystematic c) both of the above d) none of the above
6. There is _____ correlation between risk return tradeoff.
a) positive b) negative c) no correlation d) none of the above
7. Required Return = Risk-Free Return + _____
a) Risk premium b) market return c) zero return d) none of the above
8. An investment bank currently paying attention on -----
a) Digital technology b) financial technology c) Innovations d) All of the above
9. An industry analysis is an essential responsibility for -----
a) An equity research analyst b) demand -supply mechanism c) Future outlook d) All of the above
10. To ----- is not an investment banking activity.
a) Merger and acquisition b) cross border transaction c) Accept deposits d) Research

B) State whether the following statements are true or false (any seven).

07

- 1) RBI is the regulator of money market.
- 2) Hybrids are a combination of active & passive strategies.
- 3) Growth asset are designed to decrease investment.
- 4) Fundamental and Technical analysis helps in stock selection.
- 5) Risk averse investors have more appetite to take risk.
- 6) Venture capitalist do not fund to risky ventures
- 7) Interest rate risk arises due to variability in political situation in a country.
- 8) The industry analysis does not shed light on the economic health of the Company
- 9) Security exchange board of India was nationalised in 1991.
- 10) Portfolio management process is not an outgoing way of managing a client's portfolio of assets.

TURN OVER

Q 2. Answer the following questions

- A) What is investment banking? Explain the importance of investment banking.
 B) Explain the steps involved in portfolio management.

OR

- A) Distinguish between Investment and Gambling.
 B) What is an asset class? Explain the types of assets classes.

Q 3. Answer the following questions

- A) Explain private placement method in detail.
 B) What is an investment banker. Explain the role of investment banker.

OR

- A) Explain the features of venture capital?
 B) What is due diligence? Explain due diligence process.

Q4. ANSWER THE FOLLOWING QUESTIONS.

- A. Explain the terms risk averse investor, risk tolerant investor, risk seeking investor and risk return tradeoff.
 B. Explain various types of risk.

OR

- A. Explain the procedure of ASBA (application supported by blocked amount)
 B. Elaborate the term IPO (initial public offering) in detail?

Q 5. Answer the following questions

- A) What are the steps of industry analysis?
 B) Explain industry consolidation in detail.

OR**Q5 Write short notes on (any three)**

- A) Angel investors.
 B) Mutual Funds and its advantages
 C) Distinguish between investment and speculation.
 D) Follow on public offer
 E) Functions of a financial intermediary.

[Time 2 ½ Hours]

[Marks: 75]

- N.B. 1. All questions are compulsory
2. All questions have internal choice

Q1 A Match the following (any eight)

- | | |
|-------------------------|---------------------------|
| 1. IRDA | a. CRISIL |
| 2. Agriculture Finance | b. IDBI |
| 3. Credit Rating Agency | c. Insurance Industry |
| 4. NBFC | d. NABARD |
| 5. Pension Funds | e. Capital Market |
| 6. Fiscal Policy | f. Economic Development |
| 7. Industrial Finance | g. Muthoot Finance |
| 8. IPO | h. Financial Intermediary |
| 9. Treasury Bill | i. Finance Ministry |
| | j. Money Market |

08

Q1B State whether the following statements are true or false and rewrite the statements (any seven) 07

1. Borrower's credit quality is been assessed by Credit Rating.
2. Financial intermediaries encourages in facilitating Capital Formation.
3. SEBI regulates Insurance Industry in India.
4. A financial advisor is a professional who renders financial services.
5. A bank is a financial institution that accepts deposits from public and creates credit.
6. Financial intermediaries help circulating money in the system.
7. Investors are interested in maximizing all kinds of risks in their investment.
8. Financial intermediaries serve as a middleman between savers and borrowers.

Q2A Define financial system? State its structure?

Q2B Describe the need of financial intermediaries in financial system?

OR

Q2C Explain the implications of financial intermediation on economic development?

Q2D Explain in brief registration of financial intermediaries?

Q3A Explain in brief secondary functions of Banks?

Q3B Define Mutual Fund? State various types of mutual funds?

OR

Q3C Explain in brief role of credit rating agencies?

Q3D Describe the role played by Insurance Companies in financial sector?

Q4A Explain the role of financial intermediaries in reducing information asymmetry?

Q4B Explain in brief risks faced by financial intermediaries?

OR

Q4C Discuss various factors affecting the performance of financial intermediaries?

Q4D Explain the role of intermediaries in reducing credit risk?

Q5A Explain in brief various challenges faced by banking sector in India?

Q5B Discuss future growth prospectus of Insurance Industry in India?

OR

Q5 Write short notes (any three)

1. SIDBI
2. Non Banking Financial Companies
3. Investment Bankers
4. NABARD
5. Financial Intermediaries

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