

Solution Set 6

- Q 1 A)** Fill in the Blanks (Any 8) **08**
- 1) Non-banking
 - 2) Securitisation
 - 3) sub-broker
 - 4) Banker
 - 5) Venture Capital
 - 6) bill
 - 7) Underwriter
 - 8) Leasing
 - 9) Lessor
 - 10) debentures

- Q 1 B)** Match the Column (Any 7) **07**

Group A		Answer	
1	Dematerialisation	B	
2	Lease	F	
3	Forfait	G	
4	Financial Service	I	
5	Consumer finance	D	
6	Stock Broker	A	
7	Hire-purchase	E	
8	Factoring	J	
9	A ⁺⁺⁺	H	
10	Special Purpose Vehicles	C	

- Q 2 A)** Define Financial Services. Explain functions of Financial services. **08**

2 marks for definition

1 mark each for each point

- B)** What is Factoring? Distinguish between forfeiting and Factoring. **07**

1 mark for defining the terms =1 mark

1 mark each for each point of difference= (1 x 6)=6 marks

OR

- C)** A firm furnishes you the following details: **08**

Total Credi Sales	Rs. 75,00,000
Average Collection Period	50 days
Factor commission	2.5 %
Reserve to be made by factor	15 %
Interest charged by factor	10 %

Calculate the total cost of factoring assuming 360 days a year

2 Marks for steps

2 marks for reserve calculation

2 marks for interest calculation

2 marks for factoring commission

- D)** Explain the framework of Bill Discounting. **07**

1.5 mark each for each point or up to the discretion of the examiner

- Q 3 A)** Explain Securitization with diagram. Explain the process of Securitization. **15**
3 marks for concept
2 mark= for diagram
10 mark= 2 mark each for point of process
- OR**
- C)** Define Merchant Banking. Explain the role of Merchant banker in Issue management. **08**
1 Mark for definition
7 marks= 1 mark for each function
- D)** Write down the functions of Stock broker. Briefly define the term Sub broker. **07**
2 Mark for definition
5 marks= 1 mark for each function
- Q 4 A)** Explain the types of Venture Capital Investment. **08**
2 mark for each point or up to the discretion of examiner
- B)** Define Leasing. Explain any three advantages and disadvantages of leasing. **07**
2 Mark for definition
5 marks= 1 mark for each
- OR**
- C)** Mr. Krishna Kumar purchased a bike on hire purchase system. The cash Price is Rs. 50000, payable Rs. 5000 down payment and remaining in 6 yearly instalment of Rs. 8000 each. Interest charged @ 12 % p.a. Calculate Interest. **08**
2 mark for steps
6 marks for right table
- D)** Elaborate the role of National Housing Bank (NHB). **07**
1 mark for each point
- Q 5 A)** Explain the importance of Consumer finance. **08**
1 mark for each point
- B)** Define Credit Rating Agency. Briefly explain any three Credit rating agency in India. **07**
1 Mark for definition
6 marks= 1.5 mark for each
- OR**
- C)** Write Short Notes (Any 3) **15**
- 1.** Broker to an Issue
 - 2.** Foreign Broker
 - 3.** CRISIL
 - 4.** Under Writers
 - 5.** Consumer Finance Terms

For any of the above a minimum of 5 points are expected. 1 mark for each point = 5 marks