

Q.P. Code: 00005383

[Time: 3:00 Hrs]

[Marks: 75]

Please check whether you have got the right question paper.

- N.B:
1. Question No.1 and Question No. 8 is compulsory.
 2. Attempt any four questions from Question No. 2, 3,4,5,6 and 7.
 3. Figures to the right indicate full marks.
 4. Use of simple calculator is allowed.

Q. 1

(A) State whether following statements are True or False.

(10)

- 1) A person's net worth is calculated by subtracting their liabilities from their assets.
- 2) The Unit Trust of India (UTI) was established by the Reserve Bank of India and the Government of India.
- 3) The sponsor of a mutual fund must contribute at least 50% to the net worth of the asset management company.
- 4) AMFI Registration Number (ARN) is optional for becoming a mutual fund distributor.
- 5) Financial planning only focuses on increasing savings and reducing expenses.
- 6) The entry of private sector funds in the Indian mutual fund industry began in 1987.
- 7) An Asset Management Company (AMC) can act as a trustee of any mutual fund.
- 8) Exit charges are always a fixed percentage regardless of the mutual fund scheme.
- 9) AMFI can cancel the ARN of distributors for violations of the Code of Conduct.
- 10) SCORES is an offline platform of SEBI for compliant and grievance redressal.

(B) Select the most appropriate answer.

(10)

- 1) Which of the following is NOT a type of mutual fund scheme?
A) Open Ended Funds B) Close Ended Funds
C) Growth Funds D) Rotating Funds
- 2) Which of the following is NOT a type of Debt Scheme?

- A) Overnight Fund B) Liquid Fund
- C) Ultra Short Fund D) Equity Income Fund
- 3) What does the Expense Ratio represent?
- A) The percentage of profits paid to investors
- B) The percentage of assets used for marketing
- C) The percentage of money paid to the Asset Management Company to manage investments
- D) The percentage of assets invested in equity
- 4) Who established the first non-UTI Mutual Fund in India?
- A) LIC B) IDBI C) SBI D) PNB
- 5) _____ are also known as the protectors of the fund and are employed by the fund sponsor.
- A) Sponsor B) Trustees C) Asset Management Company D) Custodian
- 6) How is Portfolio Turnover Rate calculated?
- A) $(\text{Total stocks bought} + \text{Total stocks sold}) / \text{Average AUM}$
- B) $(\text{Total stocks bought} - \text{Total stocks sold}) / \text{Average AUM}$
- C) $\text{Minimum of (stocks bought or sold)} / \text{Average AUM} * 100$
- D) $\text{Maximum of (stocks bought or sold)} / \text{Average AUM} * 100$
- 7) Net Asset Value (NAV) of a mutual fund scheme is calculated and published on websites of _____.
- A) SEBI website only B) SEBI and AMFI websites
- C) AMFI and Mutual fund website D) Mutual fund website only
- 8) The Mutual fund industry follows which of the following regulation?
- A) SEBI (Mutual fund) regulations 1996
- B) Mutual fund regulation 2004
- C) Mutual fund regulation 2003
- D) RBI Act 1935
- 9) What is the primary requirement for obtaining an AMFI Registration Number (ARN)?

- A) Passing the NISM Mutual Fund Certification
 - B) 5 years of experience in the financial sector
 - C) A postgraduate degree in finance
 - D) Sponsorship by an existing AMC
- 10) Which of the following is NOT a factor that affects asset allocation?
- A) Time horizon
 - B) Risk tolerance
 - C) Age of the investor
 - D) Political affiliation

Q.2 Attempt Any Two of the following: (10)

- a) Explain the history of Mutual Fund in India.
- b) What are the different types of Mutual Fund schemes based on equity?
- c) What do you mean by Portfolio Turnover Rate? How Portfolio Turnover Rate is calculated?

Q.3 Attempt Any Two of the following: (10)

- a) Explain the role of Trustee in Mutual Fund structure.
- b) What are the disadvantages of Mutual Fund?
- c) What are the different types of non-individual channels of distribution for Mutual Funds?

Q.4 Attempt Any Two of the following: (10)

- a) Explain the objectives of AMFI.
- b) Write a note on Expense Ratio.
- c) An investor sold his 157.4 units of a mutual funds when NAV was Rs. 20.5. Find the amount received by him if (i) There was no exit load (ii) Exit load was 1.5%

Q.5 Attempt Any Two of the following: (10)

- a) What do you mean by Financial Planning? Explain the benefits of Financial Planning.

- b) Write a note on Supermarket channel of Mutual Fund distribution.
- c) What do you mean by Asset Allocation? Explain the factors affecting asset allocation.

Q. 6 Attempt Any Two of the following: (10)

- a) Discuss an example of SMART financial goals.
- b) Write a note on Beta.
- c) Explain the concept of Benchmarking in Mutual Fund.

Q. 7 Attempt Any Two of the following: (10)

- a) Explain the importance of risk and return trade off in Mutual Fund.
- b) Write a note on SCORES.
- c) Write a note on Right To Information Act, 2005.

Q. 8 Attempt Any Three of the following: (15)

- a) Explain the different ways by which risk adjusted returns are calculated for Mutual Fund.
- b) Discuss the advantages of Mutual Fund.
- c) What are the key factors to be considered while selecting any Mutual Fund Scheme?
- d) Write a note on: (i) Exchange Traded Fund (ii) Funds of Fund