



Name :

Roll No. :

Invigilator's Signature :

**CS/MMA/SEM-3/MMAFNE-304/2009-10
2009**

**MUTUAL FUNDS AND FINANCIAL SERVICES
INDUSTRY**

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives of the following :

10 × 1 = 10

- i) Index funds are
 - a) actively managed funds
 - b) passively managed funds
 - c) open ended funds
 - d) close ended funds.
- ii) Close ended mutual funds have
 - a) an indefinite period
 - b) low risk
 - c) high risk
 - d) a definite period.



- iii) Services provided by merchant bankers include
 - a) corporate counselling
 - b) project counselling
 - c) management of capital issues
 - d) all of these.
- iv) Venture capitalists provide finance in the form of
 - a) equity participation b) long term loans
 - c) short term loans d) donations or grants.
- v) Non-recourse factoring means that
 - a) the loss arising on account of bad debts will be borne by the client
 - b) there will be no loss on account of bad debts
 - c) the loss on bad debts will be written off by the factor
 - d) the loss on bad debts will be borne by the factor.
- vi) Forfeiting provides other benefits like
 - a) helping in export of goods
 - b) preparing the export documents
 - c) checking the credit worthiness of the foreign buyer
 - d) shipping the goods to the buyer.
- vii) In a financial lease, the risk of obsolescence is borne by the
 - a) the lessee
 - b) the lessor
 - c) both the lessee and the lessor equally
 - d) neither the lessee nor the lessor.



- viii) In hire purchase, the title to the goods passes to the buyer
- a) on the payment of the first instalment
 - b) on paying the down payment
 - c) when the hire purchase agreement has been entered into
 - d) on the payment of the last instalment.
- ix) Reinsurance companies are those that
- a) issue insurance policies repeatedly to the same customer
 - b) sell policies to other insurance companies
 - c) issue insurance policies to the central government
 - d) issue insurance policy companies within the same group.
- x) Prepaid credit cards are those which
- a) do not entail any financial charges
 - b) entails a fixed amount of financial charges
 - c) can be used to any extent
 - d) can be used at specific outlets.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. An investor has 500 units of an equity scheme. The present NAV is Rs. 18. Entry load 2% and exit load 1%. He wants to switch from the equity scheme to a debt scheme. The present NAV of the debt scheme is Rs. 15, entry load 1% and exit load is 0.05%.

Calculate :

- i) number of new units that he will receive after switch
- ii) the value of his portfolio after switch.

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3. What is forfeiting ? What benefits accrue to exporter through forfeiting ?
4. Explain the role of IRDA.
5. Discuss the qualities required for a merchant banker.
6. What does "anytime anywhere banking" mean ? By what means can banks achieve this ?
7. Distinguish between hire purchase and leasing.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

8. Briefly describe the various types of mutual funds. Explain the various methods to evaluate the performance of mutual funds.
9. Explain in detail the range of services rendered by merchant bankers.
10. Define leasing. Explain the different types of leases. Describe the advantages and limitations of leasing.
11. Write short notes on the following :
 - a) Tele banking
 - b) Electronic funds transfer
 - c) Infrastructure mutual funds.
12. Explain in detail the various types of insurance policies that are available today.