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UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, May 2018

Program: BBA General (Finance)

Subject (Course): Management of Financial Services

Course Code : BBCF 149

No. of page/s: 03

Semester – IV

Max. Marks : 100

Duration : 3 Hrs

Section A

Objective type questions

(2*10 = 20 marks)

1. 'Controller of Capital Issues' has been regulatory authority, before the following organization came into existence.
 - a. RBI
 - b. SEBI
 - c. SBI
 - d. Financial Stability Development Council
2. This is the function of merchant bankers
 - a. Project counselling
 - b. Issue management
 - c. Managers, consultants or advisers to the issue
 - d. All the above
3. This is the objective of listing on a recognized stock exchange
 - a. Provide liquidity to securities
 - b. Mobilize savings for economic development
 - c. Protect interests of investors by ensuring full disclosures
 - d. All the above
4. A company proposes to make a public issue of equity shares for financing its project through the book building process. It proposes to fix the floor price of the share at Rs. 500 for a share of Rs. 10. What price band is to be indicated in the draft prospectus?
 - a. 500 – 550
 - b. 500 – 570
 - c. 500 – 600
 - d. 500 – 620
5. In this lease, the agreement provides the lessee a limited period to use the asset.
 - a. Sale and lease back

- b. Direct leasing
 - c. Operating leasing
 - d. Leveraged leasing
6. Identify the key player which facilitates the two way flow of funds in the process of securitization.
 - a. Special purpose vehicle
 - b. Originator
 - c. Credit rating agency
 - d. All the above
 7. Identify the factor which does not influence the credit rating.
 - a. Repayment history
 - b. Total outstanding debt
 - c. Duration of credit history
 - d. Future connections
 8. This is not the advantage of factoring to the seller
 - a. All purchases are practically paid by factor
 - b. Money blocked with sundry debtors becomes available for business
 - c. Seller gets rid of collection of the receivables
 - d. Seller's working capital management becomes efficient and improves the possibility of better profits.
 9. In hire purchase, cost of assets is capitalized in the books of:
 - a. Hire purchaser
 - b. Hire seller
 - c. Both of them
 - d. None of them
 10. The lock in period of funds in bought out deals is:
 - a. 1 year
 - b. 6 months
 - c. 18 months
 - d. 5 years

Section B

Short answer questions

Attempt any four questions

(5*4 = 20 marks)

11. What is the purpose of an escrow account?
12. What is the main element that differentiates a financial lease from an operating lease?
13. Explain the role of securitization in sub prime crisis.
14. What is the purpose of a credit rating?
15. Why is more care necessary in selection of a factor?
16. Write a short note on return on investment in financial services.

Section C

Long answer questions

Attempt any three questions

(10*3 = 30 marks)

17. Discuss the various elements in the financial services value chain.
18. Discuss the management and organization of mutual funds
19. What are the SEBI guidelines for merchant bankers?
20. How prices are build up in book building process?

Section D

Descriptive type questions

Attempt any two questions

(15*2 = 30 marks)

21. What do you understand by securitization? Discuss the advantages and disadvantages of securitization along with its process?
22. Discuss the types of leasing and differentiate it with hire purchase.
23. Distinguish between factoring and forfeiting. Also discuss the problem areas in factoring and forfeiting.