

R2AIF423

F4BAF-II  
IFS  
13/11/23

Duration: 2 ½ hrs

Marks: 75

Note: 1. All questions are compulsory

2. Figures to the right indicate full marks

1. A. Fill in the Blanks [Any 8]

8

1. Financial services are \_\_\_\_\_.  
( Inseparable , Intangible , Variable , Fixed )
2. \_\_\_\_\_ is an apex housing finance institution in the country.  
(RBI , National Housing Bank, HDFC , LIC Housing Finance )
3. In Cross -border factoring , there are \_\_\_\_\_ parties.  
( Two , Three , Four , Five )
4. \_\_\_\_\_ is the first credit rating agency in India.  
(ICRA Ltd. , CRISIL Ltd. , CARE Ltd. , SMERA )
5. \_\_\_\_\_ is normally not traded on an exchange.  
(Future Contract, Forward contract , option contract , NSE Future contract )
6. \_\_\_\_\_ is governed by the Negotiable Instrument Act.  
( Bill Discounting , Factoring , Forfaiting , Securitisation )
- \_\_\_\_\_ is directly linked to the cardholder's bank account.
7. Debit cards , Credit cards , Club membership cards , Health cards)
8. \_\_\_\_\_ are in charge of the issue process.  
(Underwriters, Merchant bankers , Brokers , Bankers )
9. A certificate of registration from the \_\_\_\_\_ is mandatory to act as a broker.  
(SEBI , RBI , Ministry of Finance , AMFI )
10. \_\_\_\_\_ is the outright purchase price of goods.  
(Cash Price , Hire purchase price , Down payment , Up Price )

1. B Write True or False [Any 7]

7

1. Stock broker means a member of a stock exchange
2. Leasing is a mechanism of financing the cost of an asset.
3. The venture capital financing is highly risky.
4. The Non -fund based services are called asset based services.
5. Rating is useful in differentiating credit quality
6. Credit card give you an emergency line of credit.

7. NBFCs are not allowed to accept demand deposits
8. Smart –card technology is easy to duplicate or forge.
9. CRISIL is the leading credit rating agency in the world.
10. Securitisation is the process of integration and differentiation

2. a. Explain Problems in Financial sector 8  
b. Explain issue management and its Intermediaries? 7

OR

- c. A manufacturing concerns has a total sales of Rs. 24,00,000 and its average collection period is 90 days . The past experience indicates a bad debt loss around 1.4% of credit sales . The company spends Rs. 3,00,000 on credit collection & administration . A factor is prepared to buy the firms receivable by charging 2% commission . The factor will pay advance receivable at an interest of 16% after with holding 10% as reserve calculate the cost and benefit to the company & also effective rate of annual cost of factoring. 8  
d. Explain SEBI & its key objectives ? 7

3. a. Distinguish Between Leasing & Hire Purchase 8  
b. Responsibility of merchant Bankers as per SEBI 7

OR

- c. Explain securitization and its Features. 8  
d. Distinguish between factoring & forfaiting 7  
4. a. Explain derivatives trading and its types. 8  
b. What is leasing explain essential Elements of leasing. 7

OR

- c. On 1<sup>st</sup> April, 2015 laxman ltd. Purchased a machine from SSC Ltd. On hire purchase basis. The cash price of the machine was Rs. 5,00,000 . The payment was to be made Rs. 1,00,000 on the date of agreement & the balance in four annual instalment of Rs. 1,00,000 plus interest @8% per annum payable on 31<sup>st</sup> December each year. The first Instalment being payable on 31<sup>st</sup> December 2015. Prepare Machine A/c and SSC ltd. A/c in the books of laxman ltd. Assuming that accounts are closed on 31<sup>st</sup> December every year & depreciation @10% p.a. is charged on the original cost 8  
d. Mechanics of consumer Finance 7

5. a. Explain consumer Finance and its Featues. 8  
b. Types of plastic Cards 7

OR

5. c. Write short notes on [ 5 Marks each Any 3 ] 15  
1 Types of Bill  
2 Pass through certificates (PTC)

**3 National Housing Bank**

**4 Credit Rating**

**5 Brokers to an issue**