

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : NOVEMBER – 2024

B.Com. (AIDED & SF)

MAXIMUM MARKS: 50

SEMESTER : V

TIME : 3 HOURS

PART – III

FINANCIAL SERVICES

SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

(K1)

1. Merchant banking primarily involves which of the following functions?
 - a) Retail banking
 - b) Underwriting of securities
 - c) Loan processing
 - d) Personal financial advising
2. Recent trends in mutual funds in India include the growth of.....
 - a) Equity-oriented schemes
 - b) Real estate investment funds
 - c) Credit-rating mutual funds
 - d) Commodity-based funds
3. Venture capital financing typically occurs at which stage of a business?
 - a) Idea generation
 - b) Seed stage
 - c) Expansion stage
 - d) Exit stage
4. Factoring primarily involves which of the following activities?
 - a) Selling receivables to a third party
 - b) Underwriting stocks
 - c) Offering lease agreements
 - d) Issuing new equity shares
5. Which of the following is a credit rating agency in India?
 - a) Moody's
 - b) Standard & Poor's
 - c) CRISIL
 - d) Fitch Ratings

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.

(K2)

6. Define fund-based and non-fund-based activities in financial services.
7. Explain how the origin of mutual funds relates to the concept of collective investment.
8. Contrast the modes of financing in venture capital with those in traditional bank loans.
9. Interpret the benefits of derivatives in financial markets.
10. Illustrate the impact of a high credit rating on an organization's ability to raise funds.

(CONTD 2)

SECTION – B**(5 X 3 = 15 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Describe the functions of merchant banking in financial services.

(OR)

- b) Assess the challenges faced by the Indian financial services industry today.

12. a) Compare the different types of mutual funds available to investors.

(OR)

- b) Interpret the significance of the organization structure of a mutual fund.

13. a) Describe the different stages of venture capital financing.

(OR)

- b) Explain the factors of decision-making in venture capital investment.

14. a) Describe the different types of financial derivatives used in risk management.

(OR)

- b) Interpret the role of derivatives in financial markets.

15. a) Compare the methodologies used by credit rating agencies to assess creditworthiness.

(OR)

- b) Explain the functions of credit rating agencies in the financial system.

SECTION – C**(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K4/K5)**

16. a) Contrast the features, merits, and demerits of leasing with those of traditional loans.

(OR)

- b) Appraise the role of merchant banking in the development of the financial services sector in India.

17. a) Examine the recent trends in mutual funds in India and their implications for investors.

(OR)

- b) Formulate a plan for selecting a mutual fund based on different investor risk profiles.

18. a) Investigate the factors that venture capitalists consider when making investment decisions in startups.

(OR)

- b) Justify the importance of venture capital in fostering innovation and entrepreneurship in India.

19. a) Analyze the role of derivatives in managing financial risk and speculate on potential risks associated with their misuse.

(OR)

- b) Discuss the benefits of factoring for small and medium-sized enterprises (SMEs) and support your discussion with examples.

20. a) Outline the methodology used by credit rating agencies to rate corporate bonds and point out the limitations of this process.

(OR)

- b) Argue the necessity of credit rating agencies in the financial market and justify their role in risk assessment.