

2023

COMMERCE

Paper : COMHC4086

( Financial Services )

Full Marks : 80

Pass Marks : 32

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Choose the correct answer (any six) : 1×6=6

(a) The Securities and Exchange Board of India (SEBI) was constituted in the year

(i) 1982

(ii) 1992

(iii) 2002

(iv) 2000

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(b) Asset-based and \_\_\_\_\_-based services constitute financial services.

- (i) cash
- (ii) fund
- (iii) share
- (iv) debenture

(c) For the first time, \_\_\_\_\_ started the merchant banking in India.

- (i) City Bank
- (ii) Grindlays Bank
- (iii) SBI
- (iv) RBI

(d) LIC was established in the year

- (i) 1954
- (ii) 1952
- (iii) 1956
- (iv) 1958

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( Continued )

(e) Which one of the following is a financial asset?

- (i) Land
- (ii) Gold
- (iii) Silver
- (iv) Share

(f) Unit Trust of India was established under the Unit Trust of India Act in

- (i) 1963
- (ii) 1964
- (iii) 1973
- (iv) 1981

(g) In which year the Government of India announced the setting up of Venture Capital Fund?

- (i) 1986
- (ii) 1975
- (iii) 1996
- (iv) 1985

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(h) For the second time in India, nationalization of commercial banks took place in the year

- (i) 1955
- (ii) 1975
- (iii) 1980
- (iv) 1982

(i) Mutual funds are very popular in

- (i) USA
- (ii) UK
- (iii) Japan
- (iv) India

(j) Which of the following is not a primary function of a bank?

- (i) Accepting deposit
- (ii) Advancing loans
- (iii) Credit creation
- (iv) Bank assurance

2. Answer any five of the following questions :  
2×5=10

- (a) Define the term 'merchant banking'.
- (b) Mention two merits of the leasing.
- (c) What is financial risk?
- (d) Define reinsurance.
- (e) What is scheduled bank?
- (f) State the meaning of mutual fund.
- (g) What do you mean by Portfolio Management?

3. Answer any six of the following questions :  
5×6=30

- (a) Distinguish between leasing and hire purchase.
- (b) Discuss the scope of financial services.
- (c) "Venture capital is must for economic development." Justify the statement.
- (d) State the various functions of financial system.
- (e) What are the classifications of business risk?

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- (f) Differentiate between fund-based and nonfund-based financial services.
- (g) State the functions of a merchant bank.
- (h) Discuss the basic principles of utmost good faith.
- (i) Discuss the merits of online insurance.
- (j) Write a brief note on depository system.

4. Answer any two of the following questions :  $10 \times 2 = 20$

- (a) Discuss the functions of mutual funds.
- (b) Describe the meaning and importance of assessment and transfer.
- (c) Discuss briefly the role of merchant banker. How does it differ from commercial bank?
- (d) Discuss the fundamental principles of insurance.

5. Answer any one of the following questions : 14

- (a) What are the different kinds of financial services provided by banks and financial institutions?  $7+7=14$

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- (b) The Indian financial sector is playing a vital role in economic development. Highlight the reforms introduced in various sectors such as banking and capital market.  $6+8=14$
- (c) Discuss briefly some of the innovative financial instruments introduced in recent times in the financial service sector.

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