

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2022
(Fourth Semester)

Branch – COMMERCE (ACCOUNTING & FINANCE)

FINANCIAL SERVICES

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

- 1 Chief characteristics of financial services:
(i) Intangibility (ii) Customer orientation
(iii) Inseparability (iv) All the above
- 2 _____ is regarded as the fourth element of the financial system.
(i) Financial services (ii) Financial markets
(iii) Financial instruments (iv) Financial institutions
- 3 Financial service companies exclude _____.
(i) Commercial banks (ii) Insurance companies
(iii) Sole proprietorship (iv) Crepitating agencies
- 4 Merchant bankers are
(i) Merchants (ii) Banks
(iii) Neither merchants nor banks (iv) None of these
- 5 Merchant bank is an organization that
(i) Underwrites securities for corporations
(ii) Advice clients on mergers
(iii) Involved in ownership of commercial ventures
(iv) All of the above
- 6 The factor assumes credit risks associated with the _____.
(i) Collection of accounts (ii) Collection of securities
(iii) Collect the fund (iv) Collect the goods
- 7 _____ is a long term risk capital to finance high technology projects which involve risk but at same time has strong potential for growth.
(i) Venture capital (ii) Hedge finance
(iii) Merchant banker (iv) Hire purchase
- 8 _____ act as an intermediary to link up the sources of ideas and the source of fund.
(i) Venture capital (ii) Merchant banking
(iii) Leasing (iv) None of these
- 9 The headquarters of investment information & credit rating Agency (ICRA) limited is located in?
(i) Mumbai (ii) Gurugram
(iii) Noida (iv) New Delhi
- 10 Credit rating is only a/ an _____.
(i) Opinion (ii) Recommendation
(iii) Suggestion (iv) Advice

Cont...

SECTION - B (35 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 7 = 35)

- 11 a Outline the features of financial services.
OR
b Narrate the growth of financial services industry in India.
- 12 a Explain the responsibilities of a merchant banker.
OR
b Sketch the various forms of factoring.
- 13 a Defined venture capital. Explain its advantages.
OR
b State the steps involved in venture capital investment process.
- 14 a Show the importance of securitization.
OR
b Write about various credit rating symbols.
- 15 a Narrate the functions of custodial service providers.
OR
b Write a note on share transfer agent and their functions.

SECTION - C (30 Marks)

Answer any THREE Questions

ALL Questions Carry EQUAL Marks (3 x 10 = 30)

- 16 Summarise the importance of financial services.
- 17 Categorize the functions of merchant banking.
- 18 Enumerate the various forms of venture capital financing.
- 19 Discuss the rating methodology of ICRA.
- 20 Describe the various types of underwriting of securities.

Z-Z-Z

END