



BRAINWARE UNIVERSITY

Term End Examination 2022
Programme – BBA-2019/BBA-2020
Course Name – Financial Services
Course Code - BBAD501F
(Semester V)

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Identify the financial market for long-term funds.
- | | |
|-------------------|---------------------|
| a) Money market | b) Capital market |
| c) Primary market | d) Secondary Market |
- (ii) Identify the lender of the last resort among the following.
- | | |
|---------------------|----------------------|
| a) Indigenous banks | b) Money lenders |
| c) RBI | d) None of the above |
- (iii) Identify the odd one out among the following.
- | | |
|---------------------------|----------------------|
| a) Commercial paper | b) Share certificate |
| c) Certificate of deposit | d) Treasury Bill |
- (iv) Compare the following statements and find the false one about Greenshoe option among the following statements.
- | | |
|---|--|
| a) A greenshoe option is an over-allotment option in the context of an IPO | b) Greenshoe options never provide price stability and liquidity |
| c) A greenshoe option was first used by the Green Shoe Manufacturing Company (now part of Wolverine World Wide, Inc.) | d) Greenshoe options typically allow underwriters to sell up to 15% more shares than the original issue amount |
- (v) Express the full form of IFRS
- | | |
|---|---|
| a) International Fiduciary Reporting Standard | b) International Forensic Reporting Standard |
| c) International Financial Reporting Standard | d) International Feasibility Reporting Standard |
- (vi) Identify the true statement regarding Book Runner Lead manager (BRLM)?
- | | |
|--|---|
| a) Lead Manager's and Book Running Lead Managers (BRLM) are not involved with the complete process of an Initial Public Offering or IPO. | b) The lead manager ensures complete due diligence. |
| c) There has to be minimum three lead managers. | d) The lead managers doesn't look after the marketing of the IPO. |
- (vii) Choose among the following which is related to underwriting of shares by a financial intermediary.

- a) Cash based activity
c) Time based activity
- b) Fund based activity
d) All of the above
- (viii) Choose the one which is not covered in The SEBI Act 1992.
- a) Insurance
c) Powers and Functions of the Board
- b) Fund sources of SEBI, as in grants made available by the Union Government
d) Composition and actions of the SEBI Board members
- (ix) Choose the one which is not a debt by bank to its customers?
- a) Certificate of Deposits
c) Mortgages
- b) Bonds
d) Savings account
- (x) Compare the three stages of VC funding(pre-seed, seed and early stage) and put them in ascending order.
- a) Pre-seed, seed, early stage
c) Early stage, pre-seed, seed
- b) Seed, pre-seed, early stage
d) Early stage, seed, pre-seed
- (xi) Choose the most important factor an investor take into consideration before investing.
- a) Expected cash flow
c) P/BV ratio
- b) P/E ratio
d) Management
- (xii) Rank the following steps in a logical sequence of the claim settlement procedure in the insurance. A. Scrutinization; B. Investigation of an assessment; C. Claim form; D. Notice of loss.
- a) ABCD
c) CBAD
- b) ABDC
d) DCAB
- (xiii) Choose the ceiling of permissible deposit insurance coverage.
- a) 1 Lakh
c) 5 lakh
- b) 7 lakh
d) 3 lakh
- (xiv) Write the name of the provision under which the Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) operates.
- a) SEBI Act, 1992
c) RBI Act, 1934
- b) SARFAESI Act, 2002
d) Negotiable Instruments Act, 1881
- (xv) Infer the false statement among the following about the credit rating process of CRISIL.
- a) Analysis of each credit is carried out by a multi-member rating team.
- b) The analysis is based on information obtained from the issuer, and on an understanding of the business environment in which the issuer operates.
- c) Once the ratings assigned are communicated to issuers, they are published on CRISIL's website
- d) The client doesn't have an option to appeal against the rating decision.

Group-B

(Short Answer Type Questions)

3 x 5=15

2. Explain the concept of factoring. (3)
3. Associate price band and revised price band. Are they similar in nature? (3)
4. Explain the seed-funding financing stage. (3)
5. Explain the concept of leasing. (3)
6. Express the concept of collateralized debt obligation. (3)
- OR**
- Justify the need of credit rating for an organization. (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Explain the difference between life insurance and general insurance. (5)
8. Explain the functions of IRDA. (5)

- 9. Define money market and capital market and find the difference. (5)
 - 10. Describe the concept of green shoe option and the need of it. (5)
 - 11. Write about the concepts of operating and financial lease with example. (5)
 - 12. Weigh the advantages and disadvantages of credit rating. (5)
- OR**
- Distinguish between traditional and non traditional mortgage. (5)
