

TYBBI Semester V Subject: Financial Services Management QUESTION BANK

- 1 Term used to refer services provided by the financial industries.
 - a) Financial services
 - b) Financial Institutions
 - c) Financial instruments
 - d) None of the above
- 2 Financial services provided by financial intermediaries are called as?
 - a) Financial services
 - b) Financial Institutions
 - c) Financial instruments
 - d) None of the above
- 3 What are the features of financial services?
 - a) Intangibility
 - b) Economic growth
 - c) Customer oriented
 - d) All of the above
- 4 Which are the following specialized financial services provided by financial service sector?
 - a) Credit rating
 - b) Venture capital
 - c) Lease financing
 - d) All of the above
- 5 Mobilization and allocation of saving i.e. transformation of savings into investment is also referred to as?
 - a) Financial services
 - b) Shares
 - c) Debenture
 - d) All of the above
- 6 Regulatory authority in banking sector in India?
 - a) RBI
 - b) SEBI
 - c) SBI
 - d) IRDA
- 7 Market deals with short term financial instruments are called as.
 - a) Capital Market
 - b) Money Market
 - c) Primary market
 - d) Secondary market
- 8 What are the following components of India Financial system?.
 - a) Financial services
 - b) Financial Institution
 - c) Financial Market
 - d) All of the above
- 9 Which of the following financial activity involves providing of finance to the corporate sector?
 - a) Fund based
 - b) Fees based
 - c) Both a and b
 - d) None of the above

- 10 The process of managing the sales ledger of a client by a financial service company is called
 - a) Factoring
 - b) Venture capital
 - c) Debenture
 - d) Lease financing
- 11 Market deals with long term instruments are called as.
 - a) Organized Market
 - b) Money Market
 - c) Capital Market
 - d) Secondary market
- 12 What are the funds based financial services?
 - a) Factoring
 - b) Lease financing
 - c) Venture capital
 - d) All of the above
- 13 The term loans provided for the purchase of fixed assets and consumer durables.
 - a) Hire purchase
 - b) Lease financing
 - c) Underwriting
 - d) Venture capital
- 14 Market deals with short term financial instruments are called as.
 - a) Commercial bank
 - b) Co-operative bank
 - c) Merchant banks
 - d) All of the above
- 15 The following are the intermediaries in the securities market.
 - a) Brokers
 - b) Bank
 - c) Underwriters
 - d) All of the above
- 16 Non- banking companies should compulsorily get credit rating for their
 - a) Capital Market instruments
 - b) Equity share
 - c) Short term instruments
 - d) Debt market instruments
- 17 The following one is a kind of fund based financial service
 - a) Project counselling
 - b) Portfolio management
 - c) Venture capital
 - d) Credit rating
- 18 What are the specialized financial institutions?
 - a) Credit rating agencies
 - b) Factoring
 - c) Discount house
 - d) All of the above
- 19 In the following group find the odd one out
 - a) Commercial paper
 - b) Certificate of deposits

- c) Share certificate
 - d) Treasury bills
- 20 Commercial banks mainly involve which of the following activities?
- a) Fund based services
 - b) Capital Market services
 - c) Assets and liability
 - d) None of the above
- 21 The following one is a kind of fees based financial service
- a) Leasing
 - b) Hire purchase finance
 - c) Underwriting of shares
 - d) Term loan
- 22 Following are the credit rating agencies?
- a) CRISIL
 - b) CARE
 - c) Both a and b
 - d) Only b
- 23 Merchant bankers mainly involves in following activities?
- a) Fund based activities
 - b) Fees based activities
 - c) Lending money
 - d) All of the above
- 24 What are the factors affecting access to financial services?
- a) Legal identity
 - b) Place of living
 - c) Level of income
 - d) All of the above
- 25 Regulator responsible for the protection of interest of the investors in the securities
- a) SEBI
 - b) IRDA
 - c) PFRDA
 - d) All of the above
- 26 Banking sector comes under which of the following sector
- a) Marketing
 - b) Service
 - c) Industrial
 - d) None of the above
- 27 The availability of marketable instruments that are useful in purchase and investments are known as
- a) Cash crunch
 - b) Liquidity
 - c) Flexibility
 - d) Credit
- 28 What are the challenges in financial service?
- a) Investment awareness
 - b) Transparency
 - c) Risk management system
 - d) All of the above

- 29 Which is not the service of Merchant banking?
- a) Issue management
 - b) Deposits
 - c) Project counselling
 - d) Portfolio management
- 30 The merchant banker should register with
- a) RBI
 - b) SEBI
 - c) Central government
 - d) State government
- 31 When the issuing company sells securities directly to the specific investors is called as?
- a) Public issue
 - b) Right issue
 - c) Private issue
 - d) Government issue
- 32 When the shares are issued to the existing shareholders of a company it is called as?
- a) Public issue
 - b) Right issue
 - c) Private issue
 - d) Government issue
- 33 Companies raise funds for the purpose of?
- a) Financing new projects
 - b) Expansion of existing units
 - c) Modernization
 - d) All of the above
- 34 The securities and Exchange Board of India is a statutory body that supervises?
- a) India's capital market
 - b) Money Market
 - c) Banking
 - d) All of the above
- 35 As per SEBI guidelines Category-I merchant banker can perform following activities
- a) Issue Management
 - b) Preparation of prospectus
 - c) Act as advisor in merger
 - d) All of the above
- 36 Commercial banks deals with debt related finance which includes?
- a) Loan sanction
 - b) Term loan
 - c) Portfolio management
 - d) Only a and b
- 37 Who can prescribe the code of conduct to the merchant banker?
- a) SEBI
 - b) RBI
 - c) Companies act
 - d) Ministry of finance
- 38 Following are the qualities required for success of merchant bankers operations.
- a) Ability to analyse
 - b) Capital Market familiarity

- c) Integrity
 - d) All of the above
- 39 Following are the behavior expected from the merchant bankers
- a) Integrity
 - b) Ethical and professional manner
 - c) Only a
 - d) Both a and b
- 40 The best example of secondary market is?
- a) IPO
 - b) Stock exchange
 - c) FPO
 - d) Right issue
- 41 Merchant bank cannot provide following financial service?
- a) Term loan
 - b) Portfolio management
 - c) Advisor to issue
 - d) Drafting of prospectus
- 42 The investment experts who invest the pooled money on behalf of investors of the scheme are known as.
- a) Fund Manager
 - b) Bank
 - c) Trustee
 - d) Asset Management company
- 43 AMFI stands for?
- a) Association of Mutual Funds in India
 - b) Article of Mutual Funds in India
 - c) Analysis of Mutual Fund in India
 - d) None of the above
- 44 Mutual Fund is regulated by?
- a) SEBI
 - b) RBI
 - c) SBI
 - d) State government
- 45 The potential of earning return is quite high as it is an?
- a) Systematic Investment Plan
 - b) Equity linked saving scheme
 - c) Both and b
 - d) Saving deposit
- 46 Which of the following are the participants in mutual funds?
- a) Sponsor
 - b) Trustee
 - c) Asset Management Company
 - d) All of the above
- 47 Money Market Mutual Funds are invested in.
- a) Short term assets
 - b) Long term assets
 - c) Equity asset
 - d) None of the above

- 48 Mutual fund industry in India started in?
a) 1963
b) 1993
c) 2013
d) 2020
- 49 The Umbrella body of all the mutual fund companies registered with SEBI is called as?
a) AMC
b) AMBI
c) AMFI
d) UTI
- 50 Which of the following has announced a new framework to improve Governance for Mutual Funds?
a) UTI
b) SEBI
c) RBI
d) AMFI
- 51 What are the reasons for slow growth of Mutual Fund in India?
a) Lack of Transparency
b) Poor Investor service
c) Restrictions
d) All of the above
- 52 NAV stands for?
a) Net Assets Value
b) Net Annual Value
c) Non Assets Valuation
d) Non Actual value
- 53 The Mutual Fund Industry in India started with the formation of?
a) Unit Trust of India
b) SBI
c) RBI
d) None of the above
- 54 In the following type of Mutual fund investor are free to buy and sell units.
a) Open ended funds
b) Close ended funds
c) Both a and b
d) Only b
- 55 Trade debts have to be assigned in favour of the financing company under
a) Discounting
b) Forfeiting
c) Factoring
d) All of the above
- 56 Under factoring the factor acts in the capacity
a) An agent of his client
b) A trustee
c) A holder for value
d) All of the above
- 57 Full service factoring is often
a) Recourse factoring

- b) Non-recourse factoring
 - c) Agency factoring
 - d) None of the above
- 58 Which of the following is not necessarily a party to a forfaiting?
- a) Exporter
 - b) Importer
 - c) Broker
 - d) Bank
- 59 Refactoring charges have to be paid in the case of?
- a) Maturity factoring
 - b) With recourse factoring
 - c) Invoice factoring
 - d) Full service factoring
- 60 The central theme of forfaiting is the purchasing of?
- a) Trade bills by the financial service company
 - b) Export bills by the financial service company
 - c) Import bills by the financial service company
 - d) All of the above
- 61 Services are mainly provided to foreign investors.
- a) Custodial services
 - b) Factoring services
 - c) Financial services
 - d) none of the above
- 62 The name of the factor is disclosed in the invoice by the supplier of the goods directing the debtor to make payment to the factor is known as?
- a) Disclosed factoring
 - b) Undisclosed factoring
 - c) Invoice factoring
 - d) Cross border factoring
- 63 The challenges to factoring in India includes?
- a) Lack of access
 - b) Fake bills
 - c) Limited reach
 - d) All of the above
- 64 The financial institution in forfeiting is called as?
- a) The forfeiter
 - b) Client
 - c) Factor
 - d) Marketer
- 65 Funding against invoices raised on consumer with in India is known as?
- a) Domestic factoring
 - b) Recourse factoring
 - c) Reserve factoring
 - d) None of the above
66. The scope of the financial services includes which of these
- a. Fund based services
 - b. Fee based services

- c. All of the above
- d. None of the above

67. Which of the following refers to a fund which pools the savings of the public

- a. Insurance
- b. Mutual Fund
- c. Securitization
- d. Derivatives

68. The process of managing sales register of the client by a financial service company refers to which of the following

- a. Forfeiting
- b. Securitization of debt
- c. Factoring
- d. Leasing

69. Which of the following is a security whose value depends on the value of the underlying asset

- a. Equity
- b. Derivatives
- c. Credit cards
- d. Debit cards

70. Which of the following is a type of derivative where the buying and selling takes place at a future date on a stated exchange

- a. Forwards
- b. Future
- c. Options
- d. Swap

70. Which of the following refers to a transaction wherein a financial intermediary buys and sells a specific foreign currency simultaneously for different maturity dates

- a. Options
- b. Forex markets
- c. Swaps
- d. None of the above

71. Financing of new high risk projects promoted by qualified entrepreneurs who lack experience is which of the following

- a. Mutual Funds
- b. Venture Capital

- c. Credit rating
 - d. Derivatives
72. The availability of cash and other cash like marketable instruments that are useful in the purchases of investment are commonly known as which of the following
- a. Liquidity
 - b. Marketability
 - c. Credit
 - d. None of the above
73. Banking sector comes under which of the following sectors
- a. Marketing
 - b. Service
 - c. Manufacturing
 - d. Industrial
74. A set of complex and closely connected agents, practices, market transactions relating to the financial aspects of an economy is referred as
- a. Financial system
 - b. Financial markets
 - c. Financial Institution
 - d. Financial Management
75. Which of the following is a market for financial assets which has a long or indefinite maturity
- a. Financial system
 - b. Financial market
 - c. Capital market
 - d. Money market
76. Which is an apex body mainly constituted for the regulation of securities markets in India
- a. IRDA
 - b. RBI
 - c. SEBI
 - d. AMFI
77. Which is the most important objective of SEBI ?
- a. Investor protection
 - b. Legal information
 - c. Large volumes
 - d. Market for the securities
78. The maximum load that a fund can exchange is determined by which of the body
- a. SEBI

- b. BSE
 - c. NSE
 - d. RBI
79. NBFCs perform a greater role for finance in
- a. Wholesale sector
 - b. Big industries
 - c. Small and Retail sector
 - d. None of the above
80. NBFC is a company registered under
- a. Indian Contract Act, 1872
 - b. Indian Companies Act, 1956
 - c. SEBI Act, 1992
 - d. None of the above.
81. Which of the following is an agreement under which a firm acquires a right to make use of a capital asset on payment of rental charges
- a. Leasing
 - b. Factoring
 - c. Forfeiting
 - d. All of the above
82. Which of the following is a technique where a financial company converts its illiquid, non-negotiable and high value financial assets into securities of smaller value that are tradable and transferable
- a. Derivatives
 - b. Hire purchase
 - c. Securitization of debt
 - d. None of the above
83. Under which of the services a financial intermediary provides services like safe keeping of financial securities and collection of interests of the clients
- a. Advisory services
 - b. Custodial services
 - c. Corporate services
 - d. None of the above
84. The number of stock exchanges in India are
- a. 23
 - b. 33
 - c. 30
 - d. 20
85. The main problems faced by financial services sector in India is/are

- a. Lack of qualified personnel
 - b. Lack of transparency
 - c. Lack of investor awareness
 - d. All of the above
86. which is the central bank of the country which is at the heart of financial and monetary system of India
- a. The Reserve Bank of India
 - b. Central Bank
 - c. Bank of India
 - d. Indian Bank
87. The Securities and Exchange Board of India was constituted which of the year
- a. 1985
 - b. 1990
 - c. 1992
 - d. 1995
88. The Reserve Bank of India Act, was passed in which of the year
- a. 1930
 - b. 1934
 - c. 1938
 - d. 1940
89. NBFCs are regulated by which of the bodies
- a. RBI
 - b. SEBI
 - c. IRDA
 - d. Government of India
90. FEMA replaced which of the following?
- a. FERA
 - b. Foreign Exchange Act
 - c. SEBI
 - d. None of the above
91. The Securities and Exchange Board of India is which type of a body
- a. Statutory
 - b. Non Statutory
 - c. Private
 - d. All of the above
92. The Head office of SEBI is located at which of the following cities
- a. Mumbai
 - b. Kolkata

- c. Ahmedabad
 - d. New Delhi
93. SEBI has how many members
- a. Six
 - b. Five
 - c. Seven
 - d. Ten
94. Which of the following terms refers to dealing with price sensitive information of the company by a person associated with the company
- a. External Trading
 - b. Insider trading
 - c. Exchange trading
 - d. All of the above
95. Which of the following is a device where the risk is undertaken by a company
- a. Insurance
 - b. Bank
 - c. Financial Service company
 - d. All of the above
96. Which of the following is the largest and oldest bank in India
- a. State Bank of India
 - b. Canara Bank
 - c. Bank of Baroda
 - d. Indian Bank
97. Which of the following facility is offered by the bank where the customers are allowed to withdraw more than their deposits?
- a. Savings bank account
 - b. Overdraft facility
 - c. Online Banking
 - d. All of the above
98. Which of the following is the full form of ATM?
- a. Automated Teller Machine
 - b. Any time Money
 - c. Any Transaction money
 - d. Always time money
99. Which of the following are the main advantages of the mutual funds?
- a. Professional management
 - b. Diversification
 - c. Comparatively higher returns

- d. All of the above
100. Which of the following is a self-regulated body related to mutual funds
- a. AMBI
 - b. AMFI
 - c. IRDA
 - d. RBI
101. The concept of mutual fund was introduced by which of the following?
- a. UTI
 - b. RBI
 - c. SEBI
 - d. None of the above
102. Hybrid funds consist of which of the following?
- a. Only growth funds
 - b. Only income funds
 - c. Both Growth and Income funds
 - d. None of the following
103. Which of the following is the most popular tax saving mutual fund ?
- a. Equity linked savings scheme
 - b. Treasury Bills
 - c. Commercial papers
 - d. Growth scheme
104. Which of the funds seeks to trace the performance of a benchmark market index?
- a. Balanced funds
 - b. Pension funds
 - c. Money market mutual funds
 - d. Index funds
105. Which of the following mutual fund invests in companies that operate in real estate sectors?
- a. Global funds
 - b. International funds
 - c. Real Estate funds
 - d. Market Neutral funds
106. Which of the following are funds that mainly invest in Government securities?
- a. Gilt Funds
 - b. Exchange traded funds
 - c. Fund of funds
 - d. All of the above

107. Which of the following is a financial plan where a fixed sum is paid to a person which becomes payable after the retirement age?
- Mutual fund
 - Pension plan
 - Derivative instrument
 - Treasury bills
108. Co-operative banks are registered under which of the cooperative societies Act?
- 1910
 - 1912
 - 1914
 - 1920
109. ELSS is a tax saving mutual fund scheme that is eligible for tax benefit under which of the following sections of the Income tax act, 1961
- 80 D
 - 80 CC
 - 80 C
 - 80 CCD
110. Which of the following banks manage the monetary system for the government?
- Investment bank
 - Merchant bank
 - Central bank
 - All of the above
111. Which of the following is the primary function of a bank?
- Acceptance of deposits
 - Securitization of debt
 - Dealing in foreign exchange
 - Offering custodian services
112. What is the full form of CRM?
- Customer retention management
 - Customer relationship management
 - Client related management
 - None of the above
113. Which of the following is the main and primary function of packaging?
- Protection of the product
 - Making the product attractive
 - Making the product marketable
 - Increase the cost of the product.
114. Advertisements are which form of communication?

- a. Non paid form
 - b. Paid form
 - c. All of the above
 - d. None of the above
115. Which of the following involves the management of currencies and cash flows , strategies, policies and procedures of corporate finance
- a. Forex management
 - b. Money management
 - c. Cash management
 - d. Treasury management
116. Which of the following are the main objectives of treasury management
- a. Cash flow forecasting
 - b. Cash flow valuation
 - c. Working capital management
 - d. All of the above
117. Which of the following is the full form of NAV
- a. New Asset valuation
 - b. Net Asset value
 - c. Net Annual Value
 - d. New Annual Value
118. Which of the following is the full form of UTI
- a. Unique technique of India
 - b. Unit Trust of India
 - c. Unique Trends of India
 - d. None of the above
119. Which of the following is the full form of AMC
- a. Asset Maintenance company
 - b. Asset Management company
 - c. Annual Management company
 - d. Annual Maintenance company
120. In which of the year UTI started its operation
- a. 1960
 - b. 1961
 - c. 1964
 - d. 1965
121. Which of the following is the main financial intermediaries for issue management of a company

- a. Portfolio manager
- b. Merchant Banker
- c. Mutual fund manager
- d. Depository

122. What is the full form of ADR ?

- a. Asian Development receipt
- b. American Depository receipt
- c. Asian Depository receipt
- d. African Depository receipt

123. What is the full form of GDR ?

- a. Global depository receipt
- b. General depository receipt
- c. German depository receipt
- d. None of the above

124. Which of the following is an intermediary who guarantees the subscription of securities in case of

under subscription

- a. Portfolio manager
- b. Underwriter
- c. Mutual fund manager
- d. All of the above

125. Formal merchant banking in India was originated in which year?

- a. 1978
- b. 1969
- c. 1769
- d. 1987

126. In India the merchant banking activity was originated with the merchant banking unit division set up

By which bank?

- a. Yes Bank
- b. Barclays bank
- c. Grind lays bank
- d. ICICI bank

127. Companies raise funds for the purpose of which activities?

- a. Financing new projects
- b. Expansion activities
- c. Modernization
- d. All of the above

128. When shares are issued to the existing shareholders it is called as which of the following?

- a. Public issue
- b. Rights issue
- c. Private issue
- d. Government issue

129. The availability of cash and cash like marketable instruments that are useful in purchases and investments are commonly known as

- a) Cash crunch
- b) Liquidity
- c) Credit
- d) Marketability

130. Banking sector comes under which of the following sector

- a) Marketing sector
- b) Service sector
- c) Manufacturing sector
- d) Industrial sector

131. Which of the following is the market for financial assets which have a long term maturity

- a) Financial system
- b) Capital Market
- c) Money market
- d) Capital Market

132) Who regulates capital market in India?

- a) SEBI
- b) RBI
- c) SBI
- d) UBI

133) Mutual fund investment in both equity and debt funds are known as

- a) Hybrid fund
- b) Interval fund
- c) Growth fund
- d) Income fund

134) A set of complex and close connected instruments, institutions, agents relating to financial aspects

Of an economy is referred as

- a) Financial system
- b) Financial markets
- c) Financial institution
- d) Financial Management

135) Who protects the interest of the Investors

- a) SEBI
- b) RBI
- c) IRDA
- d) PFRDA

136) NBFC is a company registered under

- a) Indian contract Act
- b) Companies Act
- c) RBI Act
- d) SEBI Act

138) The maximum load that a fund can exchange is determined by

- a) SEBI
- b) AMFI
- c) Distribution agent
- d) RBI

139) NBFC performs great role for finance in

- a) Wholesale sector
- b) Big scale and Retail
- c) Small

140) Option to buy means

- a) Put option
 - b) call option
 - c) derivatives
- Forward market