

INNOVATIVE FINANCIAL SERVICES

SAMPLE QUESTIONS

CLASS- FYBAF (SEM II)

1. The availability of cash and other cash like marketable instruments that are useful in purchases and investments are commonly known as _____
 - a. Liquidity
 - b. Credit
 - c. Marketability
2. Banking sector comes under which of the following sectors _____.
 - a. Marketing sector
 - b. Service sector
 - c. Industrial sector
3. A set of complex and closely connected instructions, agents, practices, markets transactions, claims and liabilities relating to financial aspects of an economy is referred as: _____.
 - a. Financial system
 - b. Financial market
 - c. Financial institution
4. _____ is a market for financial assets which have a long or indefinite maturity.
 - a. Financial market
 - b. Capital market
 - c. Money market
5. _____ was constituted to protect the interests of investors in securities and to promote the development of and to regulate the securities market through appropriate measures.
 - a) RBI
 - b) SEBI
 - c) BSE
6. The maximum load that a fund can exchange is determined by _____.
 - a) SEBI
 - b) RBI
 - c) AMFI
7. NBFC performs great role for finance in _____.
 - a. Wholesale sector
 - b. Big Scale industries
 - c. Small scale and Retail sector

8. NBFC is a company registered under _____.
- The Indian Contract Act
 - The Companies Act, 1956
 - The RBI Act
9. Finance is not available in the following factories service _____
- Without Recourse factoring
 - With recourse factoring
 - Maturity factoring
10. Sales Ledger Administration is available in the following factoring services _____
- Without Recourse factoring
 - With recourse factoring
 - Invoice discounting
11. Credit Protection is available in _____
- Without Recourse factoring
 - With recourse factoring
 - None of the above
- 12) Under forfaiting the client is able to get credit facility to the extent of _____
- 100% of the value of the export bill
 - 80% of the value of the export bill
 - 90% of the value of the export bill
13. Full-service factoring is often _____
- Recourse factoring
 - Non-recourse factoring
 - Agency factoring
14. The process of selling trade debts of a client to a financial intermediary is called _____
- Factoring
 - Securitisation
 - Materialisation
15. _____ services are mainly provided to foreign investors.
- Custodial Services
 - Financial Services
 - Factoring Services

16. The Idea of providing factoring services was first thought of in India by_____.

- a. Tandem committee
- b. Malhotra committee
- c. Vaghul committee

17 The central theme of forfaiting is the purchasing of _____by a financial service company.

- d. Trade bill
- e. Export bill
- f. Import bill

18. Refactoring charges have to be paid in the case of _____

- a. With recourse factoring
- b. Invoice factoring
- c. Full service factoring

19. Buying a company's accounts receivable on a nonrecourse basis is known as _____

- a) Trading
- b) Billing
- c) Factoring

20. Which of the following is not necessarily a party to a forfaiting transaction?

- a. Exporter
- b. Broker
- c. Bank

21. The greatest security for a banker is that a_____

- a. Bill of Exchange
- b. Mutual fund
- c. Commercial Paper

22. The buyer accepts the invoice and acknowledges _____ on the due date

- a. Seller
- b. Paying
- c. Buyer

23. _____has constantly endeavoured to develop the commercial bills market.

- a. Commercial bank
- b. RBI
- c. SBI

24. The _____ bill is properly stamped.

- a. Demand
- b. Usance
- c. Expired

25. The practice of discounting accommodation bills is known as _____

- a. Night bill
- b. Kite flying
- c. Knight bill

26. No stamp duties are levied on LC backed bills up to _____ days.

- a 120
- b 100
- c 90

27. "Prospectus" is the most important document for the Company to come out with a _____ issue.

- a. Private
- b. Public
- c. Company

28. _____ Banks help to revive (cure) sick industrial units.

- a. Public
- b. Merchant
- c. All

29. An _____ relieves the company of the risk and uncertainty of marketing the securities.

- a. Underwriter
- b. Shareholder
- c. Banker

30. Underwriters build up _____ confidence in the issue of securities.

- a. Borrowers
- b. Investors
- c. Company

31. The primary role of the _____ is to purchase securities from the issuer and resell them to investor.

- a. Underwriter
- b. Shareholder
- c. Banker

32. A _____ include the following call for periodical report from the company.

- a. Underwriter
- b. Shareholder
- c. Debenture trustee

33. _____ is the process of updating the accounts of the trading parties.

- a. Underwriting
- b. Clearing
- c. Banking

34. _____ are financial contracts that derive their value from an underlying assets.

- a. Future
- b. Forward
- c. Derivatives

35. _____ look for opportunities to take on risk in the hope of making return

- a. Shareholder
- b. Hedgers
- c. Speculators

36. Buying low in one market and selling high in the other market , it called _____

- a. Arbitrage trading
- b. Hedging
- c. Clearing

37. Membership of _____ can be taken by an individual, Registered Partnership Firm, Corporate or bank.

- a. SEBI
- b. RBI
- c. MSEI

38. _____ Market deals with those securities which are issued to the public for the first time.

- a) Primary
- b) Secondary
- c) Capital

d) Money

39 _____ may be for financing series of sales involving bulk trading.

- a. Forfaiting
- b. Bill discounting
- c. Factoring
- d. Both a & b

40. In India, factoring is done with _____.

- a. Recourse
- b. Non-Recourse
- c. Disclosed
- d. Undisclosed

41 _____ refers to the capital which is available for financing the new business venture.

- a) Venture Capital
- b) Housing finance
- c) Mutual fund
- d) Lease financing

42. In _____ the buyer gets only possession of the goods and not the ownership.

- a. Bailment
- b. Hire purchase
- c. Sale
- d. Mortgage

43. The functions of financial services can be broadly classified into _____.

- a. Three
- b. Four
- c. Two
- d. Six

44 _____ is a fund based service.

- a. Custodian services
- b. Stock broking
- c. Portfolio management
- d. Underwriting

45 _____ is an example of non-fund based service.

- a. Insurance services
- b. Housing finance
- c. Securitisation
- d. Mutual fund

46 The person whose risk is ensured is called _____ in the insurance contract.

- a) Insured
- b) Insurer
- c) Agent
- d) Principle

47. Bill discounting is a contingent liability for _____.

- a. Drawer
- b. Drawee
- c. Payee
- d. Payer

48. The commercial bill rate is _____ the treasury bill rate.

- a. Higher than
- b. Lower than
- c. Less than
- d. Equal to

49. In factoring there are three parties involved, the factor, the debtor and _____.

- a. Drawer
- b. Drawee
- c. Payee
- d. Client

50. _____ are in charge of issue process.

- a. Merchant banker
- b. Underwriter
- c. Broker
- d. Sub-broker

51. _____ are the contracts that represent an agreement to buy or sell set of assets at a specified time in the future for a specified amount.

- a. SWAP
- b. Options

c. Forward

d. Futures

52. _____ is a process of turning asset into securities.

- a) Securitisation
- b) Liquidation
- c) Factoring
- d) Underwriting

53. _____ is responsible for preparing the prospectus and marketing the issue.

a. Promoter

b. Company secretary

c. Merchant banker

d. Agent

54. SEBI stands for _____.

- a) Shares Exchange Board of India
- b) Services Exchange Board of India
- c) Securities Exchange Bank of India
- d) Securities Exchange Board of India

55. _____ is an agreement between two counter parties to exchange cash flows in the future.

a. CDS

b. SWAP

c. Options

d. Futures

56. The _____ is the first step in trading securities.

a. Order Execution

b. Order Placing

c. Contract Note Preparation

d. Rolling Settlement

57. Delivery and clearing of share takes place through _____.

a. Trading member

b. Clearing member

c. Clearing house

d. Clearing banks

58. The _____ are exposed to the risk of under subscription.

- a. Merchant banker
- b. Broker
- c. Underwriter
- d. Sub-broker

59. _____ is an agreement between two parties, which gives the buyer the right, but not the obligation, to buy or sell pre-decided quantity & quality of asset for delivery on specified future date at a pre-determined price, agreed upon on the date of entering contract.

- a. Option
- b. Swap
- c. CFDs
- d. CAP

60. _____ is a security whose price is derived from the value of one or more underlying assets.

- a) Commodity
- b) Derivative
- c) Spot price
- d) Option price

61. _____ Contract are standardised in terms of amount and settlement date.

- a. Future
- b. Forward
- c. Both a & b
- d. OTC

62. _____ contracts are customised in terms of amount and settlement date.

- a. Forward
- b. Future
- c. Both a & b
- d. Swap

63. A very long tenure lease applicable to immovable properties is_____.

- a. Conveyance lease
- b. Leverage lease
- c. Consumer lease
- d. Sale lease

64. In hire purchase, Ownership of the asset is transferred to _____ on the payment of the last instalment.

- a) Seller
- b) Hire Purchaser
- c) Lessor
- d) Lessee

65. Which one is owned part of company.

- a. Equity
- b. Debenture
- c. Preference
- d. Mutual fund

66. Venture capital firms are like _____.

- a) Sole trading
- b) Partnership
- c) Co-operative
- d) Company

67. Investors in venture capital known as _____.

- a. Limited partner
- b. Unlimited partner
- c. Sleeping
- d. Minor partner

68. _____ low level financing.

- a. Seed money
- b. Start-up
- c. First-round
- d. Second-round

69. _____ manufacturing funding.

- a. First round
- b. Second round
- c. Third round
- d. Fourth round

70. There are more than _____ housing finance institutions in India.

- a. 89
- b. 90

c. 80

d. 25

71. It is important to note that in leasing contract, the ownership of the asset is with the _____.

a. Lessor

b. Lessee

c. Hire purchaser

d. Vendor

72. In a _____ lease, the lessor does not transfer all the risk and rewards incidental to the ownership of the asset.

a. Finance

b. Operating

c. Sale

d. Conveyance

73. The NHB, which is a wholly owned subsidiary of the _____.

a. SBI

b. HDFC

c. RBI

d. ICICI

74 Pradhan Mantri Awaas Yojana was launched in _____ with an aim to provide affordable housing to urban poor.

a. July, 2016

b. June, 2017

c. June, 2015

d. June, 2018

75. _____ refers to the financing of an enterprise which has overcome the highly risky stage and have recorded profits but cannot go public, thus need financial support.

a. Development capital

b. Venture capital

c. Disinvestment of Equity

d. Share capital

76. _____ is an involuntary exit forced on the VCI as a result of a totally failed investment.

- a. Start-up
- b. Liquidation
- c. Buy-out
- d. Merger

77. Credit card is _____ credit.

- a) Fixed
- b) Secured
- c) Revolving
- d) Unsecured

78. _____ Loans may be available in cash

- a. Consumer
- b. Housing
- c. Credit card
- d. Vehicle

79. broker is sources of _____.

- a. Secured loan
- b. Unsecured loan
- c. Credit
- d. Public Deposit

80. _____ issued by department stores

- a. Charge card
- b. Credit card
- c. T and E Card
- d. ATM card

81. The plastic money in the form of cards was introduced by banks in India in _____.

- a. 1990
- b. 1980
- c. 1999
- d. 1991

82. _____ very strong rating.

- a) AAA

- b) AA
- c) A
- d) A+

83. _____ is well known charge cards.

- a. Amex card
- b. Dinner club card
- c. Photo card
- d. Membership card

84. _____ is short run degree of safety.

- a. P-1
- b. P-2
- c. P-3
- d. P-4

85. _____ card is contactless card.

- a. Hybrid
- b. Proximity
- c. Combination
- d. Photo card

86. A debit card is basically a debit cum _____ card used for financial transaction issued by bank.

- a) ATM
- b) Credit
- c) Cash
- d) Visa

87. The term ----- refers financial investment in a highly risky and growth oriented venture with the objective of earning a high rate of return.

- (a) Venture capital
- (b) Merchant banking
- (c) Leasing
- (d) none of these.

88. ----- is a road towards a high growth economy.

- (a) Venture capital
- (b) Merchant banking
- (c) Leasing

(d) None of these.

89. ----- act as an intermediary to link up the sources of ideas and the sources of fund.

(a) Venture capital

(b) Merchant banking

(c) Leasing

(d) None of these.

90. V C F s of specialized financial institution promoted by -----.

(a) Central government

(b) RBI

(c) state government

(d) None of these.

91. I D B I , I F C I , I C I C I etc. are promoted by -----.

(a) V C F s of specialized financial institution

(b) V C F s of commercial bank

(c) Private V C F s

(d) None of these.

92. Write the example of V C F s of state financial institution.

(a) K S I D C

(b) T D I C I

(c) C V C F

(d) None of these.

93. Which of the following is a V C F promoted by specialized financial institution.

(a) Indus venture capital fund

(b) I L & F S Venture corporation ltd.

(c) I D B I venture capital fund

(d) None of these.

94. Off shore VCFs are promoted by ----- & financial institution.

(a) Foreign banks

(b) Private banks

(c) State banks

(d) None of these.

95. High risk is an outstanding feature of -----.

- a) Mutual fund
- b) venture capital
- c) Debenture finance
- d) govt. bonds.

96. ----- is needed for developing a product in the initial stages.

- (a) Seed capital
- (b) Startup capital
- (c) Second round financing
- (d) None of these.

97. ----- capital is needed for product development and initial marketing.

- (a) seed capital
- (b) Startup capital
- (c) first round financing
- (d) None of these.

98. ----- provided at a stage when product has been launched in the market but has not earned enough profits to meet future capital needs.

- (a) first round financing
- (b) Second round financing
- (c) Startup capital
- (d) None of these.

99. ----- capital is provided for early manufacturing and marketing expense.

- (a) Startup capital
- (b) seed capital
- (c) first round financing
- (d) Second round financing

100. The additional finance provided by VCFs to overcome fledging stage is called -----
-----.

- (a) Second round financing
- (b)) first round financing
- (c) seed capital
- (d) None of these.

101. ----- is known as Mezzanine capital.

- (a) Development financing

(b) Expansion financing

(c) Replacement finance

(d) none of these.

102. ----- stage is called fledging stage.

(a)) first round financing

(b) Second round financing

(c) Startup capital

(d) None of these.

103. ----- stage of financing includes financing development, expansion, buyout etc.

(a) Early stage financing

(b) Later stage financing

(c) first round financing

(d) None of these.

104. ----- is known as bridge finance.

(a) Development financing

(b) Expansion financing

(c) Replacement finance

(d) none of these.

105. ----- refers to transfer of management control.

(a) Bridging

(b) Buyout

(c) Buyin

(d) None of these.

106. ----- refer to the process of acquiring an existing product line by the current operating management.

(a) MBDs

(b) MBIs

(c) CVCF

(d) None of these.

107. ----- means buying the control of a sick company.

(a) Turn around

(b) Buyout

(c) Bridge

(d) None of these.

108. Venture capital organized in -----.

(a) 1995

(b) 1954

(c) 1952

(d) 1950.

109. Financing sick unit to make them profitable is called -----.

(a) Turn around

(b) Buyout

(c) Bridge

(d) None of these.

110. The purpose of valuation is to assess the ----- & viability of the venture & to divide of the percentage of the VCF ownership in the new venture.

(a) Profitability

(b) Feasibility

(c) Availability

(d) None of these.

111. ----- is used to estimate the value of venture capital investment.

(a) Revenue multiplier

(b) Dual structuring

(c) first chieago method

(d) None of these.

112. The purpose of valuation is to assess the profitability & ----- of the venture.

(a) Accessibility (b) Marketability (c) Viability (d) None of these.

113. ----- types of valuation method can be adopted by VCFs.

(a) 1

(b) 2

(c) 3

(d)4.

114. In ----- method the starting time & exit time of the venture investment is only considered.

(a) Conventional valuation method

- (b) First chieago method
- (c) revenue multiplier method
- (d) None of these.

115. In the ----- method the entire earnings stream of the venture investment is considered.

- (a) Conventional valuation method
- (b) First Chicago method
- (c) revenue multiplier method
- (d) None of these.

116. The ----- is used to estimate the annual revenue of the new company.

- (a) Revenue multiplier factor
- (b) Expense multiplier factor
- (c) Conventional multiplier factor
- (d) None of these.

117.----- is an interest free loan provided by VCFs without any predetermined repayment schedule.

- (a) Conventional loan
- (b) Conditional loan
- (c) Income notes
- (d) None of these.

118. ----- form of loan financing carries lower interest rates initially & increases when the assisted venture units become commercially operational.

- (a) Conventional loan
- (b) Conditional loan
- (c) Income notes
- (d) None of these.

119. ----- are instruments which carry a lower interest rate plus a royalty on sales.

- (a)Income notes
- (b) Debt instrument
- (c) Equity instrument
- (d) None of these.

120. ----- is a combination of conventional and conditional loans.

- (a) Income notes

- (b) Debt instrument
- (c) Equity instrument
- (d) None of these.

121. The venture capital process involves post investment Services is also called -----
-----.

- (a) Investment nurturing
- (b) Turn around financing
- (c) Seed money
- (d) None of these.

122. ----- nurturing means the continuous & ongoing investment of the VCF through representation in the board of the venture.

- (a) Hands on
- (b) Hands off
- (c) Hands holding
- (d) none of these.

123. In ----- nurturing the VCFs play only a passive role in the affairs of the venture.

- (a) Hands on
- (b) Hands off
- (c) Hands holding
- (d) none of these

124. -- ----- is known as promoters buy back.

- (a) Sale of shares to employees
- (b) sale of shares to public
- (c) Sale of shares to friends & relatives
- (d) None of these.

125. ----- is a forced exit option results from a failed venture investment.

- (a) Public issue
- (b) Liquidation
- (c) O TCEI route
- (d) None of these.

126. VCFs can be structured as an investment trust under the Indian act -----.

- (a) 1882
- (b) 1883

(c) 1884

(d)1885.

127. ----- partner whose liability is unlimited.

(a)General

(b) limited

(c) Venture

(d)None of these.

128. There are ----- VCFs registered with SEBI.

(a) 157

(b)158

(c)159

(d)160.

129. IDBI venture capital fund was starts in -----.

(a)1987

(b)1988

(c)1989

(d)1990.

130. ----- was setup in 1989.

(a) VECAUS

(b) ICICI venture

(c) IDBI VCF

(d) None of these.

131. The first nationalized bank in India to start a VCF -----.

(a)Canara bank

(b)SBI

(c)Bank of India

(d)ICICI.

132. ----- of the venture capital fund created by government and operated through IDBI.

(a) TDICI

(b) KSIDC

(c) ICICI ventures

(d) None of these.

133. ----- is the oldest private sector venture fund in India.

- (a) IVML
- (b) TDICI
- (c) KSIDC

(d) None of these.

134. SIDBI venture capital scheme started operation in -----.

- (a) 1992
- (b) 1993
- (c) 1994
- (d) 1995.

135. Software fund is the first dedicated fund for software industry setup in -----.

- (a) 1995
- (b) 1996
- (c) 1997
- (d) 1998.

136. ----- is established to provide mezzanine finance to mid-cap companies in the knowledge based sector.

- (a) ICICI IT fund
- (b) ICICI structured products fund
- (c) ICICI global opportunity fund
- (d) None of these.

137. The first bank to set up a separate merchant banking division in India.

- (a) Punjab national bank
- (b) Standard chartered bank
- (c) National & Grin days bank
- (d) National city bank.

138 The first Indian commercial bank to set up a merchant banking division in 1972.

- (a) S B I
- (b) S B T
- (c) Bank of India.

139. Which of the following is not a fee-based financial service?

- (a) Corporate counselling
- (b) Lease financing
- (c) Profit management
- (d) Issue management.

140. Which of the following is not a fund based financial services.

- (a) Credit rating agencies
- (b) Venture capital
- (c) Consumer credit
- (d) Factoring.

141. All merchant bankers must have minimum net worth of -----.

- (a) 5crore
- (b) 1crore
- (c) 10crore
- (d) 20crore.

142. Find out odd one- Authorization criteria of merchant bankers.

- (a) All business performed
- (b) professional competence
- (c) Capital adequacy
- (d) Past experience.

143. Financial intermediaries provide services on the basis of non-fund activities, also called - -----.

- (a) Participating activity
- (b) Fee based activity
- (c) Commission based activity
- (d) Salary based activity.

144. ----- covers the entire range of services provided by a merchant banker.

- (a) Project counselling
- (b) Corporate counseling
- (d) Credit syndication
- (d) Market makers.

145. Functions of financial services exclude -----.

- (a) Mobilization of savings
- (b) Allocation of fund
- (c) Specialized services
- (d) Collection of tax.

146. Financial service companies exclude -----.

- (a) Commercial banks
- (b) Insurance companies
- (c) Sole proprietorship
- (d) Crepitating agencies.

147. Specialized financial institution, are also known as -----.

- (a) Leasing companies
- (b) U T I
- (c) N B F C s
- (d) Development bank.

148. Financial services offered financing risk project e.g. Risk capital scheme of I F C I venture capital fund of I D F I etc. to provide -----.

- (a) Seed capital
- (b) Venture capital
- (c) Primary fund
- (d) secondary fund.

149. Identify odd one.

- a) C R I S I L
- b) I C R A
- c) C A R E
- d) I C I C I.

150. In hire purchase system, each instalment is treated as ----- till the last instalment is paid.

- (a) Interest
- (b) Hire charge
- (c) payment
- (d) Credit .

151. Fee based activity includes -----.

- (a) Credit rating
- (b) Stock broking
- (c) Portfolio management services
- (d) lease finance.

152. Hedging of risks can be done by using -----.

- (a) Swaps and derivatives
- (b) Swaps only
- (c) Derivatives
- (d) None of these.

153. Asset based service also called -----.

- (a) Fee based
- (b) Interest based
- (c) Capital based
- (d) fund based.

154. Non fund based activities also called -----.

- (a) Fund capital based
- (b) Interest based
- (c) fee based
- (d) managing the capital issue.

155. Modern activities exclude.

- (a) Personal advisory services
- (b) Managing the capital issue
- (c) Assisting mergers and acquisitions
- (d) Capital restructuring.

156. ----- includes all asset based financing plans offered to individuals to help them acquire durable

consumer goods.

- (a) Trade credit
- (b) cash credit
- (c) Hire purchase
- (d) Consumer credit.

157. Functions of a factor exclude.

- (a) Credit rating
- (b) Credit recording
- (c) Credit administration
- (d) Credit financing.

158. The factor assumes credit risks associated with the -----.

- (a) Collection of accounts
- (b) collection of securities
- (c) Collect the fund
- (d) collect the goods .

159. ----- is the charge for short term financing in the form of advance part payment is in the form of interest

charge for the period of advance payment.

- (a)interest
- (b) Deficit
- (c) Discount charge
- (d) Factor age.

160. Who is the chairman of high powered committee constituted by the R B I under factoring services.

- (a) U.K. Singha
- (b) Pranab Mugarjee
- (C)C.S. Kalyana Sundaram
- (d)None of these.

161.The minimum under writing obligation of a lead merchant banker is ----- of the total underwriting

commitment.

- (a) 15%
- (b)5%
- (c)50%
- (d) 10%.

162. The maximum number of lead merchant bankers that can be appointed in the case the issue exceeds

Rs.100crore less than Rs.200crore is -----.

- (a) 2
- (b) 3
- (c) 4
- (d) 5.

163.Category 1 merchant bankers can act as .

- (a) Only as advisor
- (b) Underwriter
- (c) Consultant
- (d) All issue management functions.

164. Merchant bankers are .

- (a) Merchants
- (b) Banks
- (c) Neither merchants nor banks
- (d) None of these.

165. Merchant banker shall not associate with any business other than that of the securities market.

- (a) False
- (b) True
- (c) None of these
- (d) All of these.

166. All type of activities which are of a financial nature are called -----.

- (a) Financial market
- (b) Primary market
- (c) Capital market
- (d) financial services.

167. Find out odd one.

- (a) Fund based activity
- (b) Fee based activity
- (c) Modern activities
- (d) Purchase of raw materials.

168. The number of lead merchant bankers may not exceeds in case any issue of , issue size less than

Rs.50crore,number of MBs -----.

- (a) 1
- (b)3
- (c)2
- (d) 4.

169. R O C stands for -----.

- (a) Registrar of companies
- (b) Registered companies
- (c) Registrar of consuler
- (d) Registrar of capital.

170. ----- is a written consent or authorization representing or acting on behalf of an individual in matters of business, private affairs or other legal matters.

- (a) Memorandum of understanding
- (b)R O C
- (c) Agreement
- (d) Power of authority.

171. Lead merchant banker should advice the issuer to enter into ----- with a particular intermediary for the purpose of issue management.

- (a) Memorandum of understanding
- (b) R O C
- (c) Agreement
- (d) Arrangement.

172. The number of lead merchant bankers may not exceed in case any issue of, issue size 200crore to 400crore.

- (a) 4
- (b) 3
- (c) 6
- (d) 5.

173. Post issue management activities include:-

- (a) Analysis of collection
- (b) Processing of data
- (c) Issue of refund orders
- (d) All of these.

174. Pre-issue management activities include:-

- (a) Lead manager
- (b) Underwriting
- (c) Overall supervision
- (d) None of these.

175. A merchant bank can help an organization specifically in promotional functions, -----
-----.

- (a) Sponsoring the issue
- (b) Marketing
- (c) None of these
- (d) All of these.

176. Role of merchant bankers -----.

- (a) Mobilization of funds
- (b) Promotional function
- (c) Innovation
- (d) All of these.

177. ----- is a financial intermediary who helps to mobilize and transfer capital from those who possess it to those who need it.

- (a) Lease finance
- (b) Venture capital
- (c) Merchant banker
- (d) hire purchaser .

178. ----- is a method of renting assets.

- (a) Hire purchase
- (b) Lease
- (c) hedge finance
- (d) Credit rating.

179.----- is a long term risk capital to finance high technology projects which involve risk but at same time has strong potential for growth.

- (a) Venture capital
- (b) hedge finance
- (c) Merchant banker
- (d) hire purchaser.

180. ----- is the opinion of the rating agency on the relative ability and willingness of the issuer of debt instrument to meet the debt service obligations as and when they arise.

- (a) Credit rating
- (b) rating by merchant banker
- (c) merit rating
- (d) operating feed back.

181. The features of hire purchase:

- (a) The possession of goods is given to the buyer immediately.
- (b) The ownership in the goods remains with the vendor till the last installment is paid.
- (c) The seller can repossess the goods in case of default in payment .
- (d) All of these.

182. Discounting of bills of exchange is an attractive ----- based financial service provided by the finance companies.

- (a) Fee
- (b) Fund
- (c) Opinion
- (d) Capital.

183. Factoring is method of raising ----- finance through account receivable credit offered by commercial banks and factors.

- (a) Long term
- (b) Medium term
- (c) short term
- (d) all of these.

184. Insurance is a -----.

- a) Instrument
- b) Contract
- c) Agreement
- d) Rating.

185. ----- is a fund based financial service, provides resources of finance receivable as well as facilities the collection of receivables.

- (a) Leasing
- (b) hedge finance
- (c) Merchant banker
- (d) Factoring.

186. ----- is a service offered by a stock broker ie; buying and selling or dealing in shares on behalf of the customers.

- (a) Lease finance
- (b) Venture capital
- (c) Merchant banker
- (d) Stock broking.

187. N B H stands for -----.

- (a) National house banker
- (b) National house bank
- (c) National house building
- (d) New housing bank.

188. N.B F C stands for .

- (a) Non banking finance companies
- (b) Non banking financial corporation
- (c) Non bulk finance companies
- (d) None of these.

189. A merchant bank is a financial institution conducting money market activities and:

- a. Lending
- b. Underwriting and financial advice
- c. Investment service
- d. All of the above

190. Developmental activities of merchant banking:

- a. Sources of funds forever
- b. Expanding industry and trade
- c. Leaving a widening gap unbridged between supply and demand of investible funds.
- d. All of the above

191. _____ is basically a savings and investment corporation.

- a. UTI
- b. IDBI
- c. SBI
- d. RBI

192. The _____ has to manage the post-issue activities.

- a. Merchant banker
- b. Lead manager
- c. Bank promoter
- d. All of the above

193. CRISIL has been promoted by _____ and _____.

- a. ICICI, UTI

- b. IDBI, SBI
- c. AXIS, UTI
- d. PNB, SBI

194. The term _____ is defined as a central location for keeping securities on deposit.

- a. Depository
- b. Instrument
- c. Institutions
- d. None of the above

195. The _____ is the apex organization in the Indian money market.

- a. SBI
- b. RBI
- c. ICICI
- d. IDBI

196. Lead merchant banker should advise the issuer to enter into ----- with a particular intermediary for the purpose of issue management.

- (a) Memorandum of understanding
- (b) R O C
- (c) Agreement
- (d) Arrangement.

197. ----- is a financial intermediary who helps to mobilize and transfer capital from those who possess it to those who need it.

- (a) Lease finance
- (b) Venture capital
- (c) Merchant banker
- (d) hire purchaser .

198. Which of the following is not a fee-based financial service?

- (a) Corporate counselling
- (b) Lease financing
- (c) Profit management
- (d) Issue management.

199. Category 1 merchant bankers can act as .

- (a) Only as advisor

- (b) Underwriter
- (c) Consultant
- (d) All issue management functions.

200. Financial services offered financing risk project e.g. Risk capital scheme of I F C I venture

capital fund of I D F I etc. to provide -----.

- (a) Seed capital
- (b) Venture capital
- (c) Primary fund
- (d) secondary fund