

B.B.A. (Part-I) Semester—II Examination
FINANCIAL SERVICES
Paper—BBA/205

Time : Three Hours]

[Maximum Marks : 80

Note :— Attempt all questions.

SECTION—A

Write the following answers of the questions by choosing the correct alternative given below :

1. Business finance addresses which of the following ?
 - (a) Capital budgeting
 - (b) Capital structure
 - (c) Working capital management
 - (d) All of these
2. Which of the following is the cheapest source of financing available to a firm ?
 - (a) Bank loan
 - (b) Trade Credit
 - (c) Commercial papers
 - (d) None of these
3. Internal source of capital is :
 - (a) generated through outsiders such as suppliers
 - (b) generated through issue of shares
 - (c) generated within the business
 - (d) generated through loans from commercial banks
4. Financial service companies exclude _____.
 - (a) Commercial banks
 - (b) Insurance companies
 - (c) Sole proprietorship
 - (d) Crepitating agents
5. In which type of market, new securities are traded ?
 - (a) Primary market
 - (b) Tertiary market
 - (c) Secondary market
 - (d) None of these
6. Which bonds offer the maximum protection to investors ?
 - (a) Debentures
 - (b) Subordinated debentures
 - (c) First-mortgage bonds
 - (d) Income bonds
7. What type of security offering raises capital for company ?
 - (a) Prospectus
 - (b) Primary Security Issue
 - (c) Secondary Security Issue
 - (d) None of these

8. The term 'redcembable' is used for _____.
- (a) Equity shares (b) Preference shares
(c) Commercial paper (d) Public deposits
9. Currency notes are issued by _____.
- (a) RBI (b) SBI
(c) Central govt. (d) NABARD
10. ATM password to be shared only with _____.
- (a) spouse (b) obedient son
(c) obedient daughter (d) none of the above
11. Interest Subvention Scheme is governed by _____.
- (a) all crop loans
(b) only short duration Rabi and Kharif crops with max. limit of Rs. 3 lakhs
(c) all crop loans with Rs. 3 lakhs limit
(d) only long duration Rabi and Kharif crops with max. limit of Rs. 3 lakhs
12. Bank draft is issued by _____.
- (a) Private Sector Banks (b) Regional Sector Banks
(c) Public Sector Banks (d) All of the above
13. Banks are required to submit subvention claims to RBI on _____.
- (a) Half yearly
(b) Quarterly
(c) Annually
(d) Half yearly basis as at 30th Sep. and 31st March
14. Interest on Savings Bank deposits is paid _____.
- (a) Monthly (b) Quarterly
(c) Annually (d) Half yearly
15. The value of the derivative market is stated in _____.
- (a) Standard value (b) Expert value
(c) Notional value (d) Nominal value
16. A stock market is also called as _____.
- (a) free market (b) equity market
(c) open market (d) sports market

17. What is done in the stock market ?
- (a) Trading (b) Singing
(c) Transaction (d) None of these
18. EXIM Bank was established in _____.
- (a) 1980 (b) 1982
(c) 1981 (d) 1983
19. RBI was established in the year _____.
- (a) 1935 (b) 1955
(c) 1975 (d) 1945
20. Which are the financial services ?
- (a) Services provided by Banks
(b) Services provided by Insurance Companies
(c) Services provided by Money market
(d) All of these

1×20=20

SECTION—B

Write the answers of the following questions in short :

1. (a) What are the factors that affect the choice of the source of finance ? 4
- OR**
- (b) Bring out the importance of finance. 4
2. (a) What are the features of Indian money market ? 4
- OR**
- (b) State the characteristics of a capital market. 4
3. (a) Explain the scope of financial services. 4
- OR**
- (b) State the significance of financial services to industrial sector. 4
4. (a) Explain the various traders working in stock exchange. 4
- OR**
- (b) Explain the different systems of stock trading. 4
5. (a) Discuss various restrictions for import in India. 4
- OR**
- (b) How are brokers different from jobbers ? 4

SECTION—C

1. (a) Explain the various sources of financing. 8
- OR**
- (b) How does depreciation funds help the industrial concern as source of finance ? 8
2. (a) Explain the features and objectives of Indian Money Market. 8
- OR**
- (b) Explain role and current trends of capital market in Indian financial system. 8
3. (a) What is the role of NABARD for agriculture sector ? 8
- OR**
- (b) Explain the need and importance of Self Help Groups (SHG) towards rural development. 8
4. (a) Explain the different categories of financial services. 8
- OR**
- (b) Discuss the various forms of investment services. 8
5. (a) What is the role of underwriter for the issue of equity shares ? 8
- OR**
- (b) Explain the various intermediaries involved in the Indian Capital markets. 8