

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
BBA - SEMESTER - VI EXAMINATION - SUMMER 2025

Subject Code: 1560105

Date: 16-05-2025

Subject Name: Management of Financial Services

Time:10:30 AM TO 01:00 PM

Total Marks: 70

Instructions

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

		Marks
Q.1	Attempt ANY 7	14
	<p>(a) Mention any two differences between primary and secondary markets.</p> <p>(b) Mention the functions of SEBI in regulating merchant banking.</p> <p>(c) Define underwriting in the context of public issues.</p> <p>(d) What is meant by 'Hire Purchase Financing'?</p> <p>(e) What is IRDA? Briefly explain its objectives and functions.</p> <p>(f) What is the role of a merchant banker?</p> <p>(g) What is meant by 'Book Building'?</p> <p>(h) What is a dematerialized account (Demat account)?</p>	
Q.2	Multiple Choice Questions (All Compulsory)	14
	<p>(1) Which of the following is a fund-based financial service? a) Advisory services b) Leasing c) Portfolio management d) Credit rating</p> <p>(2) Stock broking services are regulated in India by? a) RBI b) Ministry of Finance c) SEBI d) IRDAI</p> <p>(3) Mutual Funds in India are regulated by? a) SEBI b) Ministry of Finance c) RBI d) IRDAI</p>	

- (4) ETFs differ from mutual funds mainly in that they are:
- a) Not traded in markets
 - b) Traded on stock exchange
 - c) Illiquid
 - d) only for institutional investors
- (5) CRISIL is an example of :
- a) Leasing company
 - b) Mutual Fund company
 - c) Credit rating agency
 - d) Merchant banker
- (6) A mutual fund has total assets of ₹50,00,000 and liabilities of ₹5,00,000. There are 4,50,000 units outstanding. What is the NAV?
- a) ₹10
 - b) ₹15
 - c) ₹5
 - d) ₹1
- (7) Which of the following loan is highly secured?
- a) Cash Credit
 - b) Overdraft
 - c) Mortgage
 - e) Education loan
- (8) The current CRR rate is :
- a) 4%
 - b) 4.75%
 - c) 5%
 - d) 5.25%
- (9) Which is the most common risk faced by the lender?
- a) Market risk
 - b) Credit risk
 - c) Interest risk
 - d) Liquidity risk
- (10) For managing receivables of Rs. 20 lacs and converting them into cash, which option may be adopted?
- a) Factoring
 - b) Forfeiting
 - c) Securitization
 - d) None of the above
- (11) The most common way of raising equity is through?
- a) Rights issue
 - b) Public issues
 - c) Private placement
 - d) all of the above

- (12) In India, the first depository to start operations was:
- NSDL
 - SEBI
 - RBI
 - CDSL
- (13) What among the following is required for developing a new product in its initial stages?
- Start up capital
 - Seed capital
 - Second round financing
 - None of the above
- (14) Which of the following is not a function of a merchant banker?
- Underwriting of shares
 - Portfolio management
 - Accepting deposits from the public
 - Managing public issues

- Q.3 (a)** Explain the classification of financial services with suitable examples. **07**
- (b)** Compare the performance and structure of two investment options: a mutual fund (growth option) and an ETF tracking the same index. Which one would you recommend for a short-term investor and why? **07**

OR

- (a)** What are mutual funds? Explain the types of mutual fund schemes and their features. **07**
- (b)** Discuss the role and regulation of capital market services in India. **07**
- Q.4 (a)** Highlight the key features of depository in India. **07**
- (b)** Discuss SEBI's regulations related to merchant bankers in India. **07**

OR

- (a)** What is merchant banking? Mention any five functions performed by merchant bankers. **07**
- (b)** "Capital market intermediaries play a critical role in investor protection." Discuss this statement with examples of how stockbrokers, depositories, and SEBI ensure investor confidence. **07**
- Q.5 (a)** Define venture capital. Explain its stages and differentiate it from angel investing and private equity. **07**
- (b)** Define factoring. Explain any three types of factoring services. **07**

OR

- (a)** What is credit rating? Describe its importance and advantages. **07**
- (b)** You are evaluating two lease options: Finance Lease (₹50,000/year for 5 years) vs Operating Lease (₹70,000/year for 3 years). Recommend the better option based on total cost and ownership implications. **07**
