Total number of printed pages–7

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2024

COMMERCE

Paper : COM–4046

(Management of Financial Services)

Full Marks : 80

Time : Three hours

The figures in the margin indicate full marks for the questions.

*Answer **all** questions as directed.*

1. Select the most appropriate answer from the multiple choices given against each : 1×5=5

   (i) Which of the following mentions only fund based services ?

   (A) Factoring, Leasing, Credit rating

   (B) Factoring, Consumer Financing and Leasing

   (C) Housing Loans, Venture Capital, Credit rating

   (D) All of the above

Contd.

(ii) Read the following Statements and select the correct answer from the options :

Statement I : Group insurance scheme provides death benefit irrespective of the nature of the death of the insured.
Statement II : An insured employee who leaves his employer service can convert his group coverage into an individual policy of permanent insurance.

Answering options :

(A) Only Statement I is correct

(B) Only Statement II is correct

(C) Both the Statements are correct

(D) Both the Statements are wrong

(iii) As per IRDA (Insurance Brokers) Regulation, the license issued to an agent is valid for a period of

(A) One year

(B) Two years

(C) Three Years

(D) Five years

(iv) Merchant Bankers are required to be registered with

(A) SEBI

(B) RBI

(C) NSDL

(D) All of the above

(v) Find out whether the following Statements (mentioned in I, II and III) are True *or* False and select the correct answer from the options given below the statements :

I. Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a term loan.

II. The installment of principal or interest thereon remains overdue for one crop season for short duration crops.

III. The installment of principal or interest thereon remains overdue for one crop season for long duration crops,

Answer options	I	II	III
(A)	True	True	True
(B)	True	False	True
(C)	True	True	False
(D)	False	False	True

2. Answer the following questions in about **30–50** words each : 2×5=10

(a) What are the various constituents of Indian Financial System ?

(b) State the products and services offered by a bank under retail segment.

(c) What is portfolio management service ?

(d) What do you mean by insurable interest ?

(e) Write the meaning of shadow credit rating.

3. Answer ***any five*** questions in about **100–150** words each : 5×5=25

(a) What functions are performed by merchant banks ?

(b) Discuss the principle of insurable interest in insurance contract.

(c) Distinguish between fund based and non-fund based financial services.

(d) Bring out the interrelationship between primary and secondary capital market.

(e) What are the eligibility conditions of a public issue ?

(f) Write a short note on Sovereign Ratings.

(g) Discuss the role of actuary in the insurance business.

(h) Write a short note on 'green shoe option'?

4. Explain how modern financial services have added new features to the conventional financial services. 10

OR

"A financial system is a set of financial institutions, instruments and markets that aims at providing financial services." Discuss.

5. Explain the need for Asset and Liability Management in Banks. Also discuss various approaches of Asset and Liability Management. 10

OR

What is credit evaluation ? Discuss its process and role in managing non-performing assets in banks. 2+4+4=10

6. "Many companies prefer to issue IPOs in book building mode." Explain the reason thereof and the process of book building. 5+5=10

OR

Discuss the meaning and importance of corporatization of stock exchanges. Explain the process of corporatizing stock exchanges. 2+2+6=10

7. State the significance of credit rating and discuss the process of credit rating. 5+5=10

OR

Explain the concept of risk management in insurance business. What methods are adopted by insurance companies to manage various types of risk ? 5+5=10