

II SEMESTER M.COM EXAMINATIONS APRIL 2018

SUBJECT: FINANCIAL SERVICES

Duration: 2.5 Hours

Max. Marks: 70

SECTION - A

I) Answer any EIGHT of the following questions. (8x2=16)

1. What is Cross-border lease?
2. What is a Mutual Fund?
3. Define Merchant Banking?
4. What is Venture capital?
5. What is NAV?
6. What is Factoring?
7. Define Derivatives?
8. What is Portfolio Management?
9. What is Securitization?
10. What are Options?
11. Define Credit Rating?
12. What is Virtual Card?

SECTION - B

II) Answer any THREE of the following questions. (3x8=24)

13. What do you mean by Financial Services? State its features?
14. Discuss the features of Future Contract?
15. What are the causes for financial innovations?
16. What the problems of leasing in India?
17. Describe the facilities offered to Credit card holders?

SECTION - C

III) Answer any ONE of the following questions. (1x15=15)

18. "Securitization is a financial boon to commercial bank"? Do you agree? Support your answer with valid points.
19. What is Mutual Fund? Explain the reasons for their slow growth?
20. "The scope of Merchant Banking is great in India" Discuss.

SECTION - D

IV) Analyze the case and answer the questions. (1x15=15)

21. **Case Study:**
Future of Credit Cards:
The number of credit card holders and the participating business establishments, hotels etc. have increased enormously over the years to run into some millions. Some Indian banks like Andhra Bank and Canara Bank have entered into agreements with some international banks and agencies to have internationally acceptable credit cards, which are particularly useful to businessmen, export traders and foreign trade agencies, visiting many countries.
But the schemes of credit cards are not very popular among middle and

lower income groups. Income-tax difficulties and high rates of interest charged by banks and some rigorous terms and conditions as to the repayment of overdraft facility have led to less popularity of these credit cards in recent years. Continued market research to required changing state of the market segments, for examples, on retailers, active and inactive cardholders and the changing influence of factors such as income, age and so on these market segments. Effective marketing policies should be formulated by card companies and potential customers be identified

Existence of more sophisticated computers with large memory capacity has provided the momentum for the development of credit card. Credit cards are increasingly replacing cash and cheques. Credit cards have replaced some of the other and move routine functions of traditional banking. Customers can receive statements, cash and so on with the help of cash dispensers and credit cards and so on without even having to enter a bank.

Questions:

1. What are the eligibility conditions imposed by the banks for obtaining a credit card?
2. Discuss the components of credit card operations?