

2017

M.Com.

1st Semester Examination

FINANCIAL SERVICES

PAPER—COM-105

Subject Code—03

Full Marks : 50

Time : 2 Hours

The figures in the right hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

Unit - I

[Marks : 20]

1. Answer any *two* questions of the following : 2×5

(a) Discuss the significance of Micro-insurance in India.

(Turn Over)

- (b) Explain the credit rating process of CARE.
- (c) Briefly discuss the important services rendered by a Factor.
- (d) Discuss the factors that affect assignment of credit rating of a security.

2. Answer any *one* question of the following : 1×10
- (a) (i) What do you mean by Factoring Services ? Briefly discuss the benefits of Factoring Services.
- (ii) Distinguish between Export Factoring and Forfeiting Services. (2+4)+4
- (b) (i) Discuss the various stages of Venture Capital Financing.
- (ii) What does 'investment nurturing' mean ? Describe the different styles of investment nurturing. 5+5

Unit - II

[Marks : 20]

3. Answer any *two* of the following questions : 2×5
- (a) What is housing finance ? Name the different types of loans provided by the housing finance institutions.

2+3

- (b) Distinguish between guaranteed residual value and unguaranteed residual value. 5
- (c) What are the different kinds of depository services that are provided to the clients? 5
- (d) Give a brief note on the functions of merchant bankers. 5

4. Answer any one of the following questions : 1×10

- (a) X Company Ltd. has entered into a lease agreement for an equipment costing Rs. 750 lakh with Y Leasing Co. Ltd. The lease is renewable for a period of 5 years. Lease rental for the first year is Rs. 350 lakh which is to reduce by 10% every year till the end of the lease term. Lease rental is paid at the end of each year. The economic life of the equipment is also expected to be 5 years. The company uses straight line method to depreciate the equipment. The incremental borrowing rate is 16% p.a. The company is in a tax bracket of the marginal rate of 25%. Guaranteed residual value is Rs. 50 lakh. Show important ledger accounts only in the books of Y Leasing Co. Ltd. and X Company Ltd. for the first two years of lease. 10

- (b) Describe the regulatory and financing functions of National Housing Bank. 10

[Internal Assessment — 10 Marks]
