

Total number of printed pages-4

14 (COM-4) 4046

2022

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 the questions as directed.

1. Select the most appropriate answer from the multiple choices given against each :
1×5=5
 - (i) A Non-Banking Finance Company is registered under :
 - A. Banking Regulation Act, 1949
 - B. Companies Act, 1956
 - C. RBI Act, 1935
 - D. Societies Registration Act
 - (ii) The Life Insurance Corporation of India was formed in :
 - A. 1962
 - B. 1957

Contd.

C. 1956

D. 1952

(iii) Which of the following mutual funds provide easy liquidity, preservation of capital and moderate income?

A. Growth Funds

B. Balanced Funds

C. Money Market Mutual Funds

D. Tax Savings Funds

(iv) In case of offer for sale by unlisted companies, the promoters' shareholding, after the offer for sale should be at least:

A. 50% of the post-issue capital

B. 30% of the post-issue capital

C. 20% of the post-issue capital

D. 10% of the post-issue capital

(v) "Banking companies are allowed to do insurance business in India". This statement is:

A. True

B. False

2. Answer the following in about **50** words each:

2×5=10

(a) State *any three* benefits of investing in mutual funds.

(b) Define credit risk.

14 (COM-4) 4046/G

2

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

(d) What is meant by Rights Issue?

(e) What do you mean by shadow credit rating?

3. Answer *any five* questions in about **150-200** words each: $5 \times 5 = 25$

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

(b) Discuss the process of claim management in life insurance.

(c) Discuss the activities involved in an Initial Public Offering.

(d) Discuss the relevance of Basel Norms in managing risks of banks.

(e) Explain the reasons for the growth of retail banking in the recent times.

(f) What are the functions performed by a Lead Manger to Capital Issue?

(g) Discuss the functions of a Commercial Bank.

4. Answer the following in about **600** words each: $10 \times 4 = 40$

(a) Explain how modern financial services have enhanced the value of the conventional financial services.

14 (COM-4) 4046/G

3

Contd.

OR

What are the various types of risk countered by the insurers? Discuss the methods to minimise these risks.

5+5=10

- (b) How is retail banking different from corporate banking? Which one is more important for the success of a bank—retail banking or corporate banking? Discuss.

8+2=10

OR

Discuss the various types of risks encountered by banks. Also discuss the ways to manage these risks.

7+3=10

- (c) What are the advantages of corporatisation and demutualization of stock exchanges?

OR

What are the functions performed by a Lead Manager to the Capital Issue? Discuss.

- (d) State the significance of credit rating and discuss the process of credit rating.

4+6=10

OR

Critically examine the credibility of credit rating agencies when their main source of revenue is from the companies rated by them.