

**Sheth TJ Education Society's
Sheth NKTT College of Commerce & JTT College of Arts**

- **Name of the Faculty: Maithili A Kende**
- **Subject: Innovative Financial Services**
- **Class: TY BMS (Finance Specialization) Sem: VI**

Multiple Choice Questions (MCQs)

1. The availability of cash and other cash like marketable instruments that are useful in purchases and investments are commonly known as _____.
 - a. Liquidity
 - b. Credit
 - c. Marketability
 - d. Profitability

2. A set of complex and closely connected instructions, agents, practices, markets transactions, claims and liabilities relating to financial aspects of an economy is referred as: _____.
 - a. Financial system
 - b. Financial market
 - c. Financial institution
 - d. Financial sector

3. _____ is a market for financial assets which have a long or indefinite maturity.
 - a. Financial market
 - b. Capital market
 - c. Money market
 - d. Wholesale Market

4. _____ was constituted to protect the interests of investors in securities and to promote the development of and to regulate the securities market through appropriate measures.
 - a. RBI
 - b. SEBI
 - c. BSE
 - d. HSBC

5. NBFC performs great role for finance in _____.
 - a. Wholesale sector
 - b. Private Sector
 - c. Big Scale industries
 - d. Small scale and Retail sector

6. NBFC is a company registered under _____.
 - a. The Indian Contract Act
 - b. The Companies Act, 1956
 - c. The RBI Act
 - d. FERA Act

7. Full service factoring is often _____
 - a. Recourse factoring
 - b. Non-recourse factoring
 - c. Agency factoring
 - d. Non- Agency factoring

8. The process of selling trade debts of a client to a financial intermediary is called _____
 - a. Factoring
 - b. Securitisation
 - c. Marketization
 - d. Materialisation

9. _____ services are mainly provided to foreign investors.
 - a. Custodial Services
 - b. Financial Services
 - c. Factoring Services
 - d. Banking Services

10. Refactoring charges have to be paid in the case of _____
 - a. With recourse factoring
 - b. Invoice factoring
 - c. Full service factoring
 - d. Half service factoring

11. Buying a company's accounts receivable on a nonrecourse basis is known as _____
 - a. Trading
 - b. Billing
 - c. controlling
 - d. Factoring

12. Buying a company's accounts receivable on a nonrecourse basis is known as _____
 - a. Trading
 - b. Billing
 - c. controlling
 - d. Factoring

13. Which of the following is not necessarily a party to a forfaiting transaction?
- Exporter
 - Broker
 - competitor
 - Bank
14. The buyer accepts the invoice and acknowledges _____ on the due date
- Seller
 - Paying
 - Buyer
 - Marketer
15. _____ has constantly endeavoured to develop the commercial bills market.
- Commercial bank
 - RBI
 - SBI
 - HDFC
- 16 . The practice of discounting accommodation bills is known as _____
- Night bill
 - Kite flying
 - Knight bill
 - Site bill

17. An _____ relieves the company of the risk and uncertainty of marketing the securities.
- Underwriter
 - Shareholder
 - Banker
 - Broker
18. The primary role of the _____ is to purchase securities from the issuer and resell them to investor.
- Underwriter
 - Shareholder
 - Banker
 - Broker
19. Buying low in one market and selling high in the other market , it called _____
- Arbitrage trading
 - Hedging
 - seller
 - Clearing
20. Membership of _____ can be taken by an individual, Registered Partnership Firm, Corporate or bank.
- SEBI
 - SBI
 - RBI
 - MSEI
21. A very long tenure lease applicable to immovable properties is_____.
- Conveyance lease
 - Leverage lease
 - Consumer lease
 - Finance lease
22. _____is referred as both fund based and fee based financial service.
- Higher purchase
 - Underwriting
 - Factoring
 - Forfeiting

Prepared by
Asst Professor Maithili Kende
(NKTT College)

23. The term _____ refers financial investment in highly risky and growth oriented venture with the objective of earning a high rate of return.
- Venture capital
 - Merchant banking
 - Leasing
 - Replacement Finance
24. _____ is known as mezzanine capital.
- Development financing
 - expansion financing
 - replacement finance
 - Financial Services
25. The first nationalized bank in India to start a VCF _____.
- SBI
 - PNB
 - Canara bank
 - ICICI bank
26. Pradhan Mantri Awaas Yojana was launched in _____ with an aim to provide affordable housing to urban poor.
- June 2016
 - June 2015
 - June 2018
 - June 2019
27. _____ refers to financing of an enterprise which has overcome the highly risky stage and have recorded profit but cannot go public, thus needs financial support.
- Venture capital
 - development capital
 - seed capital
 - Issued Capital
28. Instalment system is governed by sale of good act.
- production
 - purchase
 - goods
 - Services
29. In Hire purchase system the possession of goods is given to the _____ immediately.
- buyer
 - seller

Prepared by
Asst Professor Maithili Kende
(NKTT College)

- c) Advisor
 - d) Competitor
30. Under hire purchase system the buyer is called Hire _____.
- a) Seller
 - b) Caller
 - c) Investor
 - d) Vendor
31. Instalment system is governed by sale of _____.
- a) Goods Act
 - b) Service Act
 - c) Company Act
 - d) Investor Act
32. _____ are financial contracts that derive their value from an underlying assets.
- a. Future
 - b. Option
 - c. Forward
 - d. Derivatives
33. An applicant scoring more than _____ point is considered as one with goods credit standing.
- a) 50
 - b) 70
 - c) 40
 - d) 90
34. The effective rate of interest on consumer finance is generally _____ than the rate applicable to business finance.
- a) Lower
 - b) Higher
 - c) Medium
 - d) Constant
35. Dunham Greenberg formula is not based the consumer's _____
- a) Material status
 - b) Income level
 - c) Financial position
 - d) Wealth status
36. Credit card facility is an excellent example of revolving credit _____
- a) Cash credit
 - b) Secured credit
 - c) Revolving credit
 - d) Unsecured credit

37. _____ Card can be issued to parties for undertaking any activities coming under the purview to direct finance to agriculture.
- a) secured
 - b) unsecured
 - c) Fixed
 - d) Variable
38. Budget card requires monthly payment on behalf of that _____.
- a) Holder
 - b) Banker
 - c) Seller
 - d) Customer
39. Travel and Entertainment Card (T&E) are primarily for _____ purposes.
- a) Purchase
 - b) Travel and entertainment
 - c) Movie
 - d) Market
40. _____ Card issued jointly by a member bank, and non-finance organization.
- a) Co-branded
 - b) Budget
 - c) Smart
 - d) Credit
41. Cheque card issued by a bank which guarantees the payment of _____ within prescribed limit.
- a) Cheque
 - b) Purchase
 - c) Cash
 - d) Cheque book
42. _____ is the opinion of the rating agency on the relative ability and willingness of the issuer of the debt instrument to meet the debt service obligation as and when the arise.
- a) Merit rating
 - b) Credit rating
 - c) Rating by merchant banker
 - d) Rating by NBFC
43. Credit rating is an expression of credit rating agencies regarding debt instrument on a specific date on _____.
- a) Risk evaluation
 - b) Product
 - c) services
 - d) Profit

44. Identify odd one out _____
- a) CRISIL
 - b) ICRA
 - c) ICICI
 - d) SBI
45. Credit rating helps to improve the _____ image of a company.
- a) Corporate
 - b) Domestic
 - c) Foreign
 - d) Region
46. Consumer get possession of the assets immediately when a fraction of the price is paid under _____
- a) Consumer finance arrangement.
 - b) Consumer finance agreement.
 - c) Commerce finance arrangement.
 - d) core finance arrangement.
47. The tendency of people to borrow early in life to satisfy needs is increasingly evident in emerging _____.
- a) Indian consumer credit market
 - b) Japan consumer credit market
 - c) American consumer credit market
 - d) Indian commerce credit market
48. Credit rating will guide the investor in selection of _____ instrument.
- a) Debt
 - b) Shares
 - c) Real Estate
 - d) Mutual Fund
49. AAA (Triple A), gives by CRISIL for debenture ensure _____.
- a) highest safety
 - b) Highest Risky
 - c) Lowest safety
 - d) Lowest Risky
50. _____ rated by the credit rating agencies enhance employment opportunities in the economy.
- a) Call issues
 - b) Mega issues
 - c) Put issues
 - d) Highest issues