Financial Services

1. In the case of factoring, when payment (80% of invoice) is made to client, which one of the following entry is passed?

(1) Client current a/c Dr. to Debt purchased a/c
(2) **Client current a/c Dr. to Bank a/c**
(3) Client current a/c Dr. to sales ledger control a/c
(4) None of the above

2. Each scheme of a Mutual Fund must be compulsorily registered with ______ before it is floated in the market.

(1) **SEBI**
(2) SBI
(3) RBI
(4) AMC

3. Which of the following statements is not correct with respect to delivery of assets?

(1) Delivery of assets is essential in case of Forward Contracts
(2) **Futures Contracts are settled without delivery of underlying assets**
(3) Futures Contracts are settled by exchanging the difference in prices
(4) Futures Contracts are settled after delivery of underlying assets

4. Mutual risks are not free from risks.

(1) **True**
(2) False

5. What are the reasons for growth of Mutual Funds?

(1) Return on market
(2) Large investor base
(3) **Variety of investment avenues/schemes**
(4) All of the above
6. Which of the following is not kind of Mutual Funds?

(1) Closed-ended funds
(2) Offshore Funds
(3) **Break-even Funds**
(4) Open-ended funds

7. In Mutual Fund, 50% of the board of AMC who are independent Directors must have professional experience of at least ________ years in the relevant fields such as portfolio management, financial administration, etc.

(1) 15
(2) 5
(3) 7
(4) **10**

8. The concept of Securitization is associated with:-

(1) Foreign exchange market
(2) Capital market
(3) **Debt market**
(4) Money market

9. Which of the following statements are true?

(1) Pass Through Certificates have a single maturity structure and the tenure of these certificates is matched with the life of the Securitized assets
(2) Pass Through Certificates have a multiple maturity structure depending on the maturity pattern of underlying assets
(3) In case of Pass Through Certificates, payments to investors depend on the cash flow from the assets backing such certificates
(4) **All of the above**

10. In India, Securitization has been pioneered by __________ bank.

(1) HDFC Bank
(2) State Bank of India
(3) ICICI Bank
(4) **Citi Bank**
11. Which of the following ratings symbol indicate "Strong" rating for short-term instruments?

(1) P2
(2) P4
(3) P3
(4) P1

12. Which is the symbol of CRISIL for moderate safety?

(1) AAA (Triple A)
(2) A
(3) BBB
(4) AA (Double A)

13. The cardholders can use the cards to get credit from banks upto:-

(1) 90 days
(2) 45 days
(3) 1 month
(4) 60 days

14. Which bank has introduced a Cheque card scheme?

(1) State Bank of India
(2) Bank of Baroda
(3) Andhra Bank
(4) Central Bank of India

15. Which of the following statement(s) is/are true?

(1) Credit card holder gets a credit period of about 30 to 45 days
(2) Credit card is a "Pay later product" and Debit card is "Pay now product"
(3) No sophisticated telecommunication system is required for Credit card
(4) All of the above