TILAK MAHARASHTRA VIDYAPEETH, PUNE

MASTER OF COMMERCE (M.COM.) EXAMINATION: MAY - 2016

THIRD SEMESTER

Sub: Business Finance (MCC - 311/MCC - 301)

Date: 26/05/2016 **Total Marks:60** Time: 2.00 pm to 4.30 pm 1) All questions are compulsory. **Instructions:** 2) Figures to the right indicate full marks. 0.1 Answer the following questions. (Attempt any two) (32)Explain the need and aspects of financial planning. 2 State the meaning of 'ploughing back of profits.' Explain its advantages. 3 What is the meaning of FII? Explain the advantages of FII. 4 Define merchant banking. Explain the functions of merchant banking. Q.2 Answer the following. (Attempt any one) (08)1 Small scale industries are the backbone of the economy.' Do you agree? Explain reasons. 2 Explain the various players in the capital market. 3 What do you mean by 'Loan Syndication'? Explain in detail steps in loan syndication process in India. Q.3 Write short notes. (Attempt any two) (10)1 Kinds of Shares 2 External Commercial Borrowings. 3 Credit Rating and Information Services of India Ltd (CRISIL) 4 Functions of Stock Exchange. Q.4 Select the Correct Alternatives (Attempt Any Ten) (10)1. is useful for purchasing fixed assets like land, machinery, buildings etc. These assets are also known as permanent assets. a. Working capital b. Fixed capital c. Gross capital d. Net capital 2. What is called as the life blood of the business? a. Finance b. Fixed asset c. Current asset d. Management 3. Which of the following is the special feature of preference shares? a. Fixed rate of dividend, income certainty for b. No interference of shareholders in shareholders. company management. d. All the above. c. Shareholders can be certain about the refund of capital in case of company liquidation, get preference over ordinary shareholders. 4. This source of finance is called as fair weather friends because it become available only if public has faith and confidence in company's business. a. Fixed deposits b. Private deposits c. Public deposits d. Current deposits

5 denotes all those investors or investor the territory of the country in which they are a. FII	investing. b. FDI
c. Direct Investmentd. NRI Investment6. Where the short term financial instruments maturing within a period of one year are	
traded? a. Share market	b. Capital market
c. Equity market	d. Money market
7. Which of the following institute was established under the joint sponsorship of ICICI, Unit Trust of India, IFCI, IDBI as an important step towards the development of Indian capital market?	
a. SEBI	b. NSE
c. NIFTY	d. OTCEI
8 means giving grades to financial intermediaries according to their status and reliability.	
a. Credit rating	b. Gradation
c. Credit information	d. None of the above
9. The fund house continuously buys and sells units from investors. New units are created and issued if there is demand and old uits are eliminated if there is redemption pressure. This type of mutual fund is called as	
a. Close Ended Mutual Fundc. Open Ended Mutual Fund	b. Income Fund d. Growth Fund
10. An organization that underwrites corporate corporate mergers, acquisitions etc. and invoa. Central Bankc. Merchant Bank	
11 forms part of the broader concept of co-financing in which more than one lender provides funds to a borrower.	
a. Syndicated loan	b. Long-term loan
c. Group Loan	d. Multi-bank loan
12 is a voluntary association of individuals where members come together and struggle for the protection of common interests.	
a. Public Limited Co.	b. A Co-operative organization
c. Private Limited Co.	d. A Public Sector