

Roll No: _____

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Shree Damodar College of Commerce & Economics, Margao-Goa

SYBBA(FS), Semester-III (REGULAR /REPEAT) Semester End Assessment November 2023

BFS CC 09: FEE AND FUND BASED FINANCIAL SERVICES

Duration: 2 hours

Maximum Marks: 60

Instructions:

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Q1 is compulsory
- 4) Answer any FOUR questions from Q2 to Q6

Q1. Answer ANY FIVE of the following:

(5*4= 20 Marks)

- a. Explain the concept of recourse factoring and non-recourse factoring
- b. Define fee-based financial services in the context of the Indian financial sector. Provide two examples of fee-based services commonly offered by financial institutions.
- c. Explain the historical origins of merchant bankers and their role in the development of modern financial systems.
- d. Explain the concept of depository services in the Indian financial market and outline the key functions of a depository.
- e. Differentiate between factoring and forfaiting.
- f. Explain the concepts of sale and Lease back. Provide an example of a situation in which a company might opt for a sale and Lease back transaction.

Q2. As a venture capitalist, you have received multiple investment proposals from different startups. Evaluate the criteria you would use to select the most promising investment opportunities among them. Discuss how you would weigh these criteria and make your investment decisions to maximize returns and mitigate risks.

(10 Marks)

Q3. Compare and contrast the roles and functions of NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited) as depositories in the Indian securities market. In your response, also discuss the significance of these depositories in facilitating electronic trading and settlement of securities.

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Q4. Discuss the crucial role of merchant bankers in the pre-issue management of securities in the Indian securities market. Also provide a comprehensive analysis of the responsibilities and functions performed by merchant bankers during the pre-issue phase, emphasizing their contributions to successful securities offerings. **(10 Marks)**

Q5. Examine and differentiate factoring and bill discounting as two distinct financing mechanisms in India. Offer a comprehensive analysis of the features, functions, advantages, and limitations of both factoring and bill discounting. In your response, discuss the target clients and scenarios in which each of these financial services is most appropriate. **(10 Marks)**

Q6. ABC Company is a small business that is facing cash flow issues due to slow-paying customers. They are considering factoring as a financial solution. Provide a comprehensive analysis of the factoring process, including its advantages, disadvantages, and key steps involved. **(10 Marks)**
