LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – **ACCOUNTING AND FINANCE**

SIXTH SEMESTER – **APRIL 2025**

UAF 6602 – FINANCIAL SERVICES AND CAPITAL MARKETS

Date: 02-05-2025 Dept. No. Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

	SECTION A - K1 (CO1)
	Answer ALL the Questions **(10 x 1 = 10)**
1.	**Answer the following**
a)	List any three modern investment alternatives.
b)	Blue chip Fund
c)	Difference between the primary and secondary markets
d)	Lame Duck
e)	Explain risk profiling.
2.	**Fill in the blanks**
a)	_______________is a catalyst for India's start up revolution
b)	________ is the process of allocating money with the expectation of generating future income or profit.
c)	________ risk is the type of risk that cannot be reduced through diversification.
d)	The formula for Present Value Interest Factor (PVIF) is ________.
e)	_____________is a financial transaction in which a business sells its accounts receivable to a third party at a discount
	SECTION A - K2 (CO1)
	Answer ALL the Questions **(10 x 1 = 10)**
3.	**MCQ**
a)	The funds raised in the primary market go directly to the (a) Issuer (b) Clients (c)Depositories (d) Depository participant
b)	Example of a systematic risk is ____________________. a) Change in company management b) Inflation and interest rate changes c) Product recall by a firm d) Business bankruptcy
c)	Type of investment provides a fixed return over a period of time____________. a) Equity shares b) Mutual funds c) Fixed deposits d) Real estate
d)	Ownership remains with the seller or financer until the final installment settled is (a) Instalment System (b) Factoring (c) Hire purchase agreement (d)Leasing
e)	Company with a higher credit rating typically leads to (a)Lower Borrowing cost (b) Higher borrowing cost (c) Potentially high risk (d) None of the above

4.	**True or False**
a)	Risk profiling helps investors understand their risk tolerance before investing.
b)	The seller retains the responsibility to cover unpaid invoices if the buyer defaults is called as with resource factoring
c)	Turn around financing helps the companies to overcome its financial distress
d)	Post Office Savings Schemes are riskier than equity investments.
e)	The present value of ₹100 received after 5 years will be more than ₹100 today.
	SECTION B - K3 (CO2)
	Answer any TWO of the following in 100 words each. (2 x 10 = 20)
5.	Briefly explain the various functions of Depositories
6.	Apply the concept of risk profiling in personal financial planning by identifying key factors that determine an investor's risk tolerance.
7.	List and explain various types of factoring
8.	Identify the major factors influencing company analysis and financial analysis.
	SECTION C – K4 (CO3)
	Answer any TWO of the following in 100 words each. (2 x 10 = 20)
9.	Analyse the drawbacks of forfaiting with real life examples
10.	Karan invested Rs. 200000 at 12% p.a. for 2 years. What will be the value of an investment after two years if interest is compounded (a) annually, (b) semi–annually, (c) quarterly, and (c) monthly? Which is more beneficial to Karan?
11.	Analyse and examine the role of securitisation in Banking and financial institution
12.	Analyze the significance of Beta in portfolio risk assessment by comparing high-beta and low-beta stocks. Evaluate its impact on investment decisions with a practical example illustrating market volatility and risk management.
	SECTION D – K5 (CO4)
	Answer any ONE of the following in 250 words (1 x 20 = 20)
13.	Critically evaluate and construct an optimal investment portfolio for a young investor with ₹10 lakhs, analyzing risk tolerance, return expectations, and market conditions. Justify asset allocation choices and assess potential risks and returns associated with different investment avenues.
14.	Summarise the stock exchange functions in India
	SECTION E – K6 (CO5)
	Answer any ONE of the following in 250 words (1 x 20 = 20)
15.	'A credit rating offers significant advantages to rated companies'-Comment this with real world examples
16.	Formulate a comprehensive modern investment strategy by integrating the principles of renowned investors with innovative financial techniques. Design a tailored approach for new investors, incorporating emerging trends, risk management strategies, and advanced portfolio diversification methods to navigate today’s dynamic financial landscape.

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