**UNIT-I**

**TWO MARK**

1. Define financial system.
2. Define the term system.
3. What is venture capital?
4. What is NBFC?
5. List the various investment institutions.
6. Write note on state finance corporations.
7. What is meant by credit creation?
8. What do you understand by financial institutions?
9. What is meant by financial markets?
10. What is meant by debt market?
11. What is meant by primary market?
12. What is meant by secondary market?
13. What is spot market?
14. What is forward market?
15. What do you understand by derivative market?
16. Define financial instruments?
17. Define financial services.

**FIVE MARKS**

1. What are the functions of financial system?
2. What are the functions of financial markets?
3. Explain the objectives of formation of RBI.
4. What is the role of RBI in credit creation?
5. Role of financial institution in the financial system.
6. Explain the functions of commercial banks.
7. Discuss about the state level financial institutions and its functions.
8. What are the characteristics of financial instruments?
9. What are the weaknesses of Indian financial system?

**TEN MARKS**

1. What is the role and importance of financial system in economic development?
2. Explain the components of financial system.
3. What are the functions of RBI
4. What is the role of RBI in Money market?
5. How would you classify financial institution?
6. How would you classify non-banking financial institutions?
7. Explain functions of IFCI.
8. Explain the functions of IDBI.
9. Explain the functions of non-banking financial corporations.
10. What are the services provided by non-banking financial corporations?
11. How would you classify financial markets?
12. Discuss in detail about the growth and development of Indian financial system.

**UNIT - II**

**TWO MARKS**

1. Define leasing
2. What are the different types of leasing?
3. What are the services of lessor?
4. What is a lease agreement?
5. What is depreciation tax shield?
6. What is lease evaluation?
7. What is loan repayment schedule?
8. What is steady principle reduction method?
9. What is steady payment method?
10. What is level-rental plan?
11. Define international leasing.
12. What is meant by financial lease?
13. What is meant by operating lease?
14. What do you mean by sale and leaseback?
15. What is meant swap leasing?
16. What is meant by partial pay-out lease?

**FIVE MARKS**

1. Define the term ‘leasing’. What are the essential elements of leasing?
2. What is an operating lease? What are its features?
3. Distinguish between a financial lease and an operating lease.
4. What are the myths regarding leasing?
5. Explain the process of leasing.
6. Distinguish between leasing and Hire purchase.
7. State the income tax implications to a lessor.
8. Enumerate the contents of a lease agreement.
9. State the sales tax implications of leasing.
10. Give a brief note on the following:

(a) International leasing (b) double-dip (c) triple-dip (d) cross-border leasing

1. Explain the problems of leasing in India

**TEN MARKS**

1. Explain the different kinds of leasing.
2. What are the advantages and disadvantages of leasing?
3. What is a financial lease? What are its special features? What test will you use to determine that a lease is a financial lease?
4. Explain the legal aspects of leasing.
5. Discuss the methodology involved in the accounting and reporting of lease in the books of lessor and lessee.
6. Write a short note on the following terms:
7. Implicit rate of interest
8. Finance income
9. Outstanding net investment
10. Net investment in lease
11. Lease equalization account.
12. Explain briefly net present value of leasing/ net advantage of leasing as the decision criterion for lease evaluation from the lessees’ perspective.
13. What is meant by loan repayment schedule? What are the methods of showing loan repayment schedule?
14. The leasing of an equipment having a purchase price of Rs. 35, 00,000 is being considered by a firm. The equipment, having an estimated life of 5 years, is expected to generate annual lease rentals of the order of Rs.12, 00,000 to the leasing company. Depreciation @ 255 is to be allowed as specified by income tax rules. Evaluate the desirability of the lease option to the firm, assuming that the firm’s marginal corporate tax rate is 50 % and that the after-tax borrowing rate is 8%.

Note: PV tables at 8% reveal the following:

Year 1 2 3 4 5

PVF 0.926 0.857 0.794 0.735 0.681

**UNIT – III**

**TWO MARKS**

1. Define hire purchase
2. What is a hire purchase agreement?
3. What are the differences between hire purchase and leasing?
4. State the differences between higher purchase and installment credit.
5. What is Add-on rate of interest?
6. What is flat rate of interest?
7. What is effective rate of interest?
8. Define sum-of-years digits method.
9. State the disclosure in hirer’ book and hire vendor books.
10. Define consumer credit.

**FIVE MARKS**

1. Discuss the concept and meaning of Hire purchase
2. What are the advantages disadvantages of Hire purchase?
3. Explain the problems of Hire purchase business in India
4. State the features of Hire purchase.
5. Discuss the rights and obligations of hirer.
6. What are the different types of interest used in Hire purchase financing?
7. Define consumer credit and briefly discuss the different types of consumer credit facility.
8. What are the different sources of consumer finance?
9. What are the different modes by which consumer finance is extended?
10. Distinguish between Hire purchase system and Installment credit system

**TEN MARKS**

1. Briefly explain the framework of evaluation of a Hire purchase transaction from the view point of
2. Hirer (b) Finance company
3. Explain the method of accounting and reporting adopted for a hire purchase finance transaction.
4. What are the financial and tax implications of hire purchase agreement?
5. Enumerate the different ways of determining the rate of interest under the Hire purchase finance agreement.
6. Write short notes on:
7. Dunham Greenberg formula
8. Specific fixed formula
9. Machinery risk formula

.**UNIT – IV**

**TWO MARKS**

1. What is a capital market?
2. What is a money market?
3. What is meant by issue management?
4. What is private placement?
5. What are the categories of securities issue?
6. List the steps involved in marketing the issue of securities.
7. What is financial engineering?
8. What is green shoe option?
9. What do you mean by American Depository Receipt?
10. What are the issue pricing model of equity and debt convertible instruments?
11. What is meant by Treasury bill market?
12. What is meant by commercial paper?
13. What is call and short notice?
14. What is certificate of deposit?
15. What is MMMFs?
16. What is a perpetual bond?
17. What is meant by zero interest fully convertible debenture?
18. What is a debenture?
19. What is meant by secondary market?

**FIVE MARKS**

1. Explain the characteristics of money market.
2. What are the money market instruments?
3. What are the different types of bill?
4. Explain the characteristics of capital market.
5. Enumerate the functions of capital market.
6. Distinguish capital market from money market.
7. What are the functions of primary market?
8. Write a brief note on secondary market.
9. What are the issue mechanism? Explain briefly.
10. What is issue management? What are the categories of securities issue?
11. What is private placement? What are its advantages?
12. Who is an issue manager? What are the requirements and categories of issue manager according to the SEBI guidelines?
13. Identify the steps involved in marketing the issue of securities.
14. Write a brief note on financial engineering.
15. Write a brief note on the following:
16. Book building (b) green shoe option
17. What do you mean by American Depository Receipt (ADR)? Discuss various types of ADR.
18. What are the advantages of issuing ADR/GDR?
19. Explain the information required to be furnished to RBI with respect to issue of ADR/ GDR.

**TEN MARKS**

1. Explain the functions and importance of money market.
2. Explain the components of money market.
3. Discuss in detail about the players of money market.
4. What are the regulations and laws that govern issue management in India?
5. How are public issues priced? Discuss briefly the CCI model and Safety Net Scheme in this regard.
6. What are activities involved in public issue management?
7. What are the factors influencing the choice of an appropriate public issue?
8. Explain the sources of raising funds from international capital market.
9. Describe the issue pricing model of equity and debt convertible instruments.
10. What are the defects of Indian money market?
11. Describe the importance of capital market.
12. Who are the participants of capital market?
13. Explain the methods of raising fund in primary market.
14. What are the new financial instruments in the capital market?

**UNIT – V**

**TWO MARKS**

1. Define stock exchange.
2. What is BSE sensex?
3. What do you mean by indexes?
4. What is meant by stock index?
5. Write note on BOLT.
6. Differentiate primary market from secondary market.
7. What is meant by speculation?
8. Who are Arbitrageurs?
9. Who are Jobbers?
10. What is listing?
11. Write note on SEBI.

**FIVE MARKS**

1. Define stock exchange. Explain the characteristics of stock exchange.
2. What is listing? What are its objectives and advantages?
3. What are the requirements of listing?
4. Explain the types of members in a stock exchange.
5. Explain in detail about the speculative transactions.
6. What are the factors influencing prices on stock exchange?
7. Write a brief note on BSE
8. Write a brief note on OTCEI
9. Discuss about NSE and its trading segments.
10. Explain the role of SEBI in primary market and secondary market.

**TEN MARKS**

1. Discuss the economic functions of stock exchange.
2. What are the benefits of stock exchange?
3. Explain the trading mechanism at stock exchanges.
4. What is speculation? What are the different types of speculators?
5. What are the defects of stock exchange?
6. Discuss in detail about the major stock exchanges in India.
7. Enumerate the features of OTCEI.
8. Explain about important indices in India.
9. What are objectives of SEBI?
10. What are the powers and functions of SEBI?
11. What are the reforms of SEBI in primary and secondary market?