

**TILAK MAHARASHTRA VIDYAPEETH, PUNE**  
**MASTER OF COMMERCE (M.COM.)**  
**EXAMINATION : MAY - 2023**  
**THIRD SEMESTER**  
**Sub: Business Finance (MCC-311)**

**Date: 27/05/2023**

**Total marks: 100**

**Time: 02.00 pm to 05.00 pm**

**Instruction: All questions are compulsory.**

**Q. 1. Answer the following questions. (Attempt any three) (30)**

1. State the meaning of Public Deposits. Explain various merits and demerits of Public deposits.
2. What are the objectives and functions of Securities and Exchange Board of India (SEBI)?
3. What is FDI? Explain the need and government regulations of FDI.
4. Explain the various types of mutual funds.
5. What is finance? What do you mean by "Business Finance"? Explain the features of Business Finance.

**Q.2. Answer the following questions. (Attempt any three) (30)**

1. What is capital market? Explain the important drawbacks of Indian capital market.
2. 'Small Scale Industries are the backbones of the economy.' Do you agree? Explain the reasons.
3. What is Credit Rating? Explain its advantages.
4. What are the different kinds of shares? Explain the features of share capital.
5. Explain the functions and services rendered by merchant banks.

**Q.3. Write short notes. (Attempt any four) (20)**

1. Portfolio Management
2. Objectives of SEBI
3. Loan syndication
4. Foreign Institutional Investment
5. Nature of Ploughing Back of Profits
6. Features of Business Finance

**Q4A. Answer in one Sentence (Any 5) (10)**

1. Define Merchant Banking.
2. What are mutual funds?
3. What is the meaning of ploughing back of profits?
4. Write the full form of FII.
5. Write the full form of ICICI.
6. Write the full form of SEBI.
7. Write the full form of IDBI.

**Q4B. Select the correct Alternatives (Attempt any Ten) (10)**

1. A rating is a quality label that conveniently summarizes the default risk of an issuer.
  - a) True
  - b) Can't say
  - c) False
  - d) None of the above
2. SEBI institute was established under the joint promotership of ICICI, UTI, IFCI, IDBI, GIC,

and SBI in Aug 1989, and the actual operations of which started in October 1992.

- a) True  
b) Can't say  
c) False  
d) None of the above
3. Pre-emptive right is a kind of right available to shareholder to get additional shares when company issues new shares in the market.  
a) True  
b) Can't say  
c) False  
d) None of the above
4. Which of the following fund's objective is to achieve capital appreciation in stocks of those companies, which are registering significant earnings?  
a) Income Fund  
b) Growth Fund  
c) Open-Ended Mutual Fund  
d) Close-Ended Mutual Fund
5. Institutions like Mutual funds, Hedge funds, Pension funds and Insurance companies are involved in the .....  
a) Foreign Portfolio Investment  
b) Foreign Direct Investment  
c) Foreign Institutional Investment  
d) Foreign Indirect Investment
6. Capital structure clears the sources of owned capital and borrowed capital, for which .....is considered as an ideal ratio.  
a) 1:1  
b) 1:3  
c) 1:2  
d) 1:4
7. ....is called as the life blood of the business.  
a) Fixed asset  
b) Finance  
c) Management  
d) Current assets
8. ....means any activity undertaken by human beings with the intention of making profit.  
a) Trade  
b) Commerce  
c) Business  
d) Industry
9. Which source of finance is called as 'fair weather friend' because it is available only in periods of company's prosperity?  
a) Term Loan  
b) Debenture  
c) Public Deposits  
d) Loans and Advances
10. The first ADR was introduced by J.P. Morgan in 1927 for the British retailer Selfridges.  
a) True  
b) Can't say  
c) False  
d) None of the above
11. Match the following: (1) Security, (2) Capital growth, (3) Marketability, with (a) Money, (b) Flexibility to portfolios, (c) Re-investing  
a) 1-b, 2-c, 3-a  
b) 1-a, 2-c, 3-b  
c) 1-c, 2-b, 3-a  
d) 1-a, 2-b, 3-c
12. Dividend on shares gets accumulated and it is not paid in a particular year or years are called as .....Preference Shares.  
a) Redeemable  
b) Participating  
c) Convertible  
d) Cumulative