

TELANGANA UNIVERSITY
S.S.R. DEGREE COLLEGE, NIZAMABAD (C.C:5029)
II SEMESTER INTERNAL ASSESSMENT II EXAMINATIONS
Banking and Financial Services QUESTION BANK

• **Choose the Correct Answers :-**

1. _____ is special kind of bailment. [a]
(a) Pledge (b) Agency (c) Contract (d) Agreement
2. A seller who has not been paid the whole price of the goods sold is known as [b]
(a) Paid seller (b) Unpaid seller (c) Yet to pay seller (d) Postpaid seller
3. _____ are rules, regulations and by-laws for the internal management of the [c]
Affairs of a company
(a) Memorandum (b) Contract (c) Articles (d) Negotiable instruments
4. The person to whom goods are delivered under a contract of bailment is [d]
(a) Bailer (b) Pledger (c) Seller (d) Bailee
5. Advance against _____ are short term in nature. [c]
(a) Real estate (b) Life policy (c) Goods (d) stock
6. The person who gives the guarantee is called _____. [b]
(a) Creditor (b) Surety (c) Debtor (d) Agent
7. When a cheque bears in addition of the name of a Banker then it is called as [c]
(a) General crossing (b) Restrictive crossing (c) Special crossing (d) Bill of exchange
8. Promissory note have _____ parties. [d]
(a) Three (b) One (c) Six (d) Two
9. It is very difficult to ascertain the title in the case of [a]
(a) Land and Building (b) Stock Exchange securities (c) Life policies (d) Share of private companies
10. The finder of goods possess the following right [c]
(a) Right to possess goods (b) Right to sue trespassers
(c) Right to sale (d) Right to claim damages
11. The following one is a kind of fee based activity of a financial intermediary [c]
(a) Hirepurchase financing (b) Leasing (c) Capital issue management (d) Underwriting of shares
12. Find the odd man out [b]
(a) Commercial paper (b) Share certificate (c) Certificate of deposit (d) Treasury bill
13. The process of managing the sales ledger of a client by a financial service company is called [b]
(a) Forfeiting (b) Factoring (c) Leasing (d) Securitisation of debt.
14. The inflation free instrument is [b]
(a) Option bond (b) Index-linked gilt bond (c) Variable rate debenture (d) Deep discount bond
15. Non-banking companies should compulsory get credit rating for their [c]
(a) Capital market instrument (b) Money market instrument
(c) Debt market instrument (d) All of the above
16. Financial service institutions pool up savings of small investors to raise funds is [a]
(a) mutual funds (b) Factoring (c) Leasing (d) Hire Purchase
17. In India, the challenges faced by financial service sector are [d]
(a) No transparency (b) Outdated database (c) Need for specialization (d) All the above
18. Bonds which ensure monthly income for the investor after a fixed wait period are [b]
(a) Convertible bonds (b) Retirement bonds (c) Easy exit bonds (d) option bonds
19. Transfer of funds from those who have it to those who need it is allowed in [c]
(a) Leasing (b) Forfeiting (c) Merchant banking (d) Factoring
20. New product in forex markets of developed countries are [d]
(a) Forwards (b) Options (c) Futures (d) All of the above

Fill in the blanks

01. The word negotiable means _____.
02. _____ mean the instruments in which time for payment is mentioned.
03. _____ is the person to whom the amount of the note is payable.
04. The person who gives the order to pay or who makes the bill is called the _____.
05. When the drawee accepts the bill he is called the _____.
06. _____ Acceptance is the one where a bill is accepted with certain conditions or qualifications and the effect of the bill gets changed from the way it had been originally drawn.
07. A cheque which can be withdrawn at the counter of the bank is called _____.
08. A _____ banker is one who undertakes to collect the amount of a cheque for his customer from the paying banker.
09. When the drawee is unable to make payment on the due then the cheque becomes _____.
10. When money deposited by a customer is not repayable on demand and is payable on the expiry of a specified period from the date of deposit such a deposit is called a _____.
11. The important goal of the financial service industry is to mobilise and allocate _____.
12. Underwriting of shares by a financial intermediary is a kind of _____ activity.
13. _____ Services are mainly provided to foreign investors.
14. _____ Bonds are sold at a large discount to their nominal value.
15. To regulate the securities market and to protect the investors interest _____ has been created by the Government of India.
16. Term lending institutions are _____ market intermediaries.
17. In _____ dealing of financial claims take place and price are set depending upon the demand of the funds and their requirements by the investors.
18. _____ have been providing a wide range of services to both capital and money market.
19. A money market instrument issued by government at discount and redeemed at par is known as _____.
20. Debt instruments that allow investors to shift between two different types of securities is _____.

Short Answers.

1. Define Negotiable instruments?
2. Write any two characteristics of promissory note?
3. Define bills of exchange?
4. Define check?
5. Explain the parties involved in check?
6. Define the term Merchant Banking?
7. Define the term venture capital?
8. Define term factoring?
9. Define the term financial lease?
10. Define the term leverage lease?