

FINANCIAL SERVICES

1. Define financial services?

Financial services are the economic services provided by the finance industry, which encompasses a broad range of business that manage money, including credit unions, banks, credit card company, insurance company, accountancy company, consumer finance company, stocks, brokerage, investment funds, individual.

2. Write a Short notes on merchant banking?

A merchant bank is a company that conducts underwriting, loan services, financial advising, and high net worth individuals... they do not provide regular banking services like checking accounts and do not take deposits.

3. Define hire purchase ?

Hire purchase is a method of selling goods. In a hire purchase transaction, the goods are let out on hire by a finance company {creditor} to the hire purchase customer {hire}. The buyer is required to pay an agreed amount in periodical installments during a given period.

4. What are the features of hire purchase?

Under hire purchase system the buyer takes possession of goods immediately and agrees to pay the total hire purchase price in installment. Each installment is treated as hire charges.

5. Write a note on guideline issued for merchant Banking by SEB

Merchant banking according to [SEBI] rules 1992 "A merchant banker has been defined as any person who is engaged in the business of issue management either by making arrangement regarding selling.

6. Define leasing?

According to the institute of chartered accounts of India a lease is an agreement whereby the lessor conveys to the lessee, in return for rent, the right to use an asset for an agreed period of time.

7. what are the types of leasing?

- financial leasing
- operating lease
- leverage and non leverage lease
- sale and lease back
- cross border lease
- wet lease and dry lease
- Vendor lease

8. what is mean by financial lease and operating lease?

In the financial lease agreement ,ownership of the property is transferred to the lease at the end of lease term.

In the operating lease agreement ,the ownership of the property is retained during and after the lease term by the lessor .

9. what is domestic lease?

A lease transaction is classified as domestic if all parties to the agreement ,namely ,equipment supplier,lessor and the lessee are domeiciled in the same country.

10. Define Mutual funds?

A mutual funds refers to a fund raised by a financial service company by pooling the savings of the public. It is invested in a diversified portfolio with a view to spreading and minimizing risk.the fund provides investment avenue for small investors who cannot participated in the equities of big company.

11. What are the schemes that can be offered mutual funds?

Such schemes generally invest in fixed income securities such as bonds ,corporate debentures ,government securities and market instrument .such funds are less risky compared to equity schemes .

12. what is open-ended fund ?

Open-ended fund is a collective investment scheme that can issue and redeemed shares at any time . An investors will generally purchase shares in the fund directly from the fund itself, rather than from the existing share holders .

13. Different between income and growth funds ?

Investment fund fall under two broad definitions .income and growth. An income fund provides investors with earnings from the dividend of the companies into which the fund manager puts money.

14. what are the types of mutual funds ?

- Open ended fund
- equity fund
- balanced fund
- debit fund
- money market
- Closed ended fund
- capital fund fixed mutual fund

15. what is specialized fund?

16. What are the risk associated with Mutual fund?

17. what is venture capital?

Venture capital is a form of private equity and a type of financing that investors provide to startup companies and small business that are believed to have a long term growth potential .it is basically financing a new company which are finding at difficult to go to the capital market at their earlier stage of existence’.

18. what is exist mechanism ?

An exist strategic is a contingency plan that is executed by an investors ,trader , venture capitalist , or business owner to liquidate a position in a financial assets once predetermined criteria for either has been met or exceeded.

19. what is factoring?

Factoring is a financial transaction and a type of debtor finance in which a business sells its accounts receivable to a third party at a discount .factoring, invoice factoring, and sometimes accounts receivable financing.

20. What are the functions of factoring?

Providing short term finance –provide money in advance up to 80% of the receivable.providing collection facilities collect money on behalf of the client and remits the money back after deducting his charges .