



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**

**End Semester Examination, May 2019**

**Program : BBA FAS**

**Semester – IVth**

**Subject (Course) :Marketing of Mutual Funds**

**Course Code : FINC2004**

**No. of pages : 3 (For Set A)**

**Max. Marks : 100**

**Duration : 3Hrs**

<b>SECTION A (10 X 2 = 20 Marks)</b>			
<b>S. No.</b>	<b>Multiple Choice Questions</b>	<b>Marks</b>	<b>CO</b>
Q1	The financial year for all mutual fund schemes ends on ..... every year. a. 31st March. b. One year from date of entering into scheme. c. 31st December d. Any date	2	1
Q2	The annual report of mutual fund is sent to unit holders ..... months before closure of relevant accounting year. a. 6 b. 3 c. 12 d. 9	2	1
Q3	While determining the gain or loss on sale of investments ..... should be followed. a. Average cost method. b. Market price method. c. Any of the above. d. None of these.	2	1
Q4	Transactions for sale or purchase of investments should be recognized on ..... a. Trade date b. Settlement date c. Either of above d. None of these	2	2
Q5	Bonus shares should be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on ..... basis. a. Ex Bonus. b. Cum Bonus. c. Any of the above.	2	2

	d. None of these.		
Q6	Capital adequacy requirement for a merchant banker is a net worth of not less than ..... rupees. a. 5 Crores. b. 2 Crores. c. No limit. d. None of these.	2	1
Q7	Register of transactions is also called as a. Sauda Book b. Journal c. Transactions dairy d. None of these	2	2
Q8	If the net asset value is more than face value it means money has a. Depreciated. b. Appreciated. c. Any of the above d. None of these.	2	3
Q9	Investments should be carried in the balance sheet at its a. Face value. b. Nominal value. c. Market value. d. None of these.	2	2
Q10	..... should be created for unrealized gain arising out of appreciation of investments. a. Reserve. b. Profit. c. Provision. d. Loss.	2	1
	<b>SECTION B</b> (2 x 10 = 20 Marks)		
Q11	What are the guidelines prescribed by SEBI for making investment in mutual funds. Explain.	10	3
Q12	What are the specific accounting policies applicable to a mutual fund. Explain	10	3
	<b>SECTION C</b> (2 x 15 = 30 Marks)		
Q13	A Mutual Fund having 1,000 units whose Net Asset Value is Rs.9.75 and Rs. 10.35 at the beginning and at the end of the year respectively. The Mutual Fund has given two options:- (a) Pay Rs.0.85 per unit as dividend and Rs.0.60 as a capital gain or (b) These distributions are to be reinvested at an average Net Asset Value of Rs. 9.75 per unit. Determine the return available in both options.	15	2
Q14	X limited purchased 200 units of a mutual fund scheme having entry load of 2.25%. The total cost of this investment was Rs.50,000. The investments of the mutual fund	15	1

	appreciated by 15 % during the year. The expense ratio was 1.50% of net investment. Assuming that he disinvested the units at the end of the year, what is the rate of return on the investment.		
<b>SECTION D</b> (2 x 15 = 30 Marks)			
Q15	You are being appointed as a financial consultant of a mutual fund investor and you want to provide best mutual fund investment for a investor. In the light of this statement explain the parameters you will consider while selecting a scheme of mutual fund.	15	3
Q16	Financial planning is very important while taking investment decision as without it the whole objective can fail. Explain what is meant by financial planning and what considerations are made in investing decisions.	15	2

**Note: - Pl. start your question paper from next page**

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**Subject (Course) :Marketing of Mutual Funds**

**Course Code : FINC2004**

**No. of pages: 4 (For Set B)**

**Max. Marks : 100**

**Duration : 3 Hrs**

S. No.	SECTION A (10 x 2 = 20 Marks)	MARKS	CO
Q1	While determining the gain or loss on sale of investments ..... should be followed. a. Average cost method. b. Market price method. c. Any of the above. d. None of these.	2	1
Q2	Capital adequacy requirement for a merchant banker is a net worth of not less than ..... rupees. a. 5 Crores. b. 2 Crores. c. No limit. d. None of these.	2	1
Q3	Register of transactions is also called as a. Sauda Book b. Journal c. Transactions dairy d. None of these	2	2
Q4	If the net asset value is more than face value it means money has a. Depreciated. b. Appreciated. c. Any of the above d. None of these.	2	1
Q5	The financial year for all mutual fund schemes ends on ..... every year. a. 31st March. b. One year from date of entering into scheme. c. 31st December d. Any date	2	1
Q6	Investments should be carried in the balance sheet at its a. Face value. b. Nominal value. c. Market value. d. None of these.	2	1
Q7	The annual report of mutual fund is sent to unit holders ..... months before closure of relevant accounting year. a. 6 b. 3 c. 12 d. 9	2	2
Q8	Bonus shares should be recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on ..... basis. a. Ex Bonus. b. Cum Bonus. c. Any of the above. d. None of these.	2	3
Q9	..... should be created for unrealized gain arising out of appreciation of investments. a. Reserve.	2	2

	b. Profit. c. Provision. d. Loss.		
Q10	Transactions for sale or purchase of investments should be recognized on ..... a. Trade date b. Settlement date c. Either of above d. None of these	2	2
<b>SECTION B</b> (2 x 10 = 20 Marks)			
Q11	Explain the specific accounting policies applicable to a mutual fund.	10	3
Q12	Explain the guidelines prescribed by SEBI for making investment in mutual funds.	10	3
<b>SECTION C</b> (2 x 15 = 30 Marks)			
Q13	Financial planning is very important while taking investment decision as without it the whole objective can fail. Explain what is meant by financial planning and what considerations are made in investing decisions.	15	2
Q14	You are being appointed as a financial consultant of a mutual fund investor and you want to provide best mutual fund investment for a investor. In the light of this statement explain the parameters you will consider while selecting a scheme of mutual fund.	15	1
<b>SECTION D</b> (2 x 15 = 30 Marks)			
Q15	XYZ Mutual Fund having 1,000 units whose Net Asset Value is Rs.8.60 and Rs. 10.50 at the beginning and at the end of the year respectively. The Mutual Fund has given two options:- (a) Pay Rs.0.95 per unit as dividend and Rs.0.80 as a capital gain or (b) These distributions are to be reinvested at an average Net Asset Value of Rs. 8.60 per unit. Determine the return available in both options.	15	3
Q16	Mohan limited purchased 400 units of a mutual fund scheme having entry load of 2.25%. The total cost of this investment was Rs.1,00,000. The investments of the mutual fund appreciated by 15 % during the year. The expense ratio was 1.75% of net investment. Assuming that he disinvested the units at the end of the year, what is the rate of return on the investment.	15	3