

Enrollment No.....



Faculty of Management Studies  
End Sem Examination Dec-2023  
MS3EF02 Basics of Mutual Funds

Programme: BBA

Branch/Specialisation: Management

**Duration: 3 Hrs.****Maximum Marks: 60**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- Q.1 i. Which one of the following is not the characteristics of mutual fund? **1**  
 (a) Consistent investment process  
 (b) Strong fund management  
 (c) Diversity in Interest rate  
 (d) Differences from the benchmark
- ii. Which among the following is not a correct statement? **1**  
 (a) Hedge funds are not mutual funds  
 (b) Hedge funds can be sold to public  
 (c) Investors in mutual funds must pay various fees and expenses  
 (d) Mutual funds provide economies of scale to investment decisions
- iii. Which of the following is an industry body created to promote the interests of the mutual funds industry? **1**  
 (a) SEBI (b) CII (c) NASCOM (d) AMFI
- iv. If requested by a unit holder, with in what period from the date of receipt of request, is the AMC bound to issue unit certificate? **1**  
 (a) 3 months (b) 15 days (c) 7 days (d) 30 days
- v. \_\_\_\_\_ is a facility provided by banks to investors to invest in new fund offer (NFOs) of mutual fund? **1**  
 (a) ASBA (b) CASBA  
 (c) MASBA (d) NASA
- vi. \_\_\_\_\_ is a supplementary document that contains additional information of the fund. **1**  
 (a) SID (b) SAI  
 (c) KIM (d) OD

[2]

[3]

- vii. SIP is a \_\_\_\_\_. **1**  
 (a) Method of regular investment (b) Name of a mutual fund  
 (c) Brand of a tea stock (d) Method of onetime investment
- viii. Investors agree to invest in high- risk investments if only- **1**  
 (a) There are any true speculations  
 (b) The predicted return is satisfactory for taking a risk  
 (c) There are no safe options except for holding cash  
 (d) The return is short
- ix. The first step of financial planning process is- **1**  
 (a) Gathering client data, including goals  
 (b) Analysing & evaluating current situation and needs  
 (c) Establishing and defining client relationships  
 (d) Implementing the recommendations
- x. A shareholder-funded investment program that trades in a variety of **1**  
 assets-  
 (a) Mutual Funds (b) Dividends  
 (c) Share program (d) None of these
- Q.2 i. Define the concept of mutual fund. **2**  
 ii. Explain any three types of funds. **3**  
 iii. What are the main advantages of mutual funds for investors? **5**  
 OR iv. Explain about the various problems of mutual funds in India. **5**
- Q.3 i. What is the major role of SEBI as a regulator in India? **2**  
 ii. Explain the various objectives of AMFI. What are the guidelines for **8**  
 circulation of unauthenticated news?
- OR iii. Elaborate due diligence process and its importance by AMCs for **8**  
 distributors of mutual funds.
- Q.4 i. What do you mean by new fund offer? **3**  
 ii. Define scheme information document. What are the main contents of **7**  
 Scheme information document?
- OR iii. Describe Key Information Memorandum (KIM) and its various **7**  
 contents?
- Q.5 i. Explain about the various KYC requirements for mutual fund investors. **4**  
 ii. What is demat account? Is investment require PAN Card? Why? **6**  
 OR iii. How to select the right option within the scheme? Explain in brief. **6**

Q.6

Attempt any two:

- i. Explain the various factors that influence the investor's risk profile. **5**  
 ii. Explain about the various stages of life cycle in financial planning. **5**  
 iii. Write down the differences between life cycle & wealth cycle in **5**  
 financial planning.

\*\*\*\*\*