

# Unit 9 - Week 7

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## Assignment 7

The due date for submitting this assignment has passed. **Due on 2020-03-18, 23:59 IST.**  
 As per our records you have not submitted this assignment.

- All India Financial Institutions (AIFIs), Non- Banking Financial Companies (NBFCs) and Primary Dealers (PDs) form three important segments of the Non-Banking Financial Institutions (NBFI) sector in India that are regulated and supervised by the Reserve Bank.
  - True
  - False

a  
 b

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 a
- Which of the following is not a Non Banking Financial Company?
  - Micro-finance institutions
  - Merchant bank
  - National housing bank
  - Venture capital

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 c
- Which of the following are financial intermediaries?
  - Commercial bank
  - NABARD
  - Industrial investment bank of India
  - Co-operative bank

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 a  
d
- A credit rating agency is a:
  - Non banking financial company
  - Non banking non financial company
  - Non banking financial non-intermediary
  - Statutory financial organization

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 a
- \_\_\_\_\_ is an insurance product that helps cover the risk of default on a Home Loan.
  - Infrastructure Finance
  - Mortgage Guarantee
  - General Insurance
  - Housing Finance

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 b
- Which of the following NBFCs are not directly regulated by RBI?
  - Infrastructure Finance Companies
  - Merchant Banks
  - Loans Companies
  - Asset Finance Companies

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 b
- Which of the following statement(s) is/are true with respect to EXIM Bank:
  - It is regulated by RBI
  - It is a part of All India Financial Institutions (AIFIs)
  - It is wholly owned by Government of India
  - All of the above

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 d
- \_\_\_\_\_ was established in 1957. It provides logistics support to the agricultural sector.
  - NABARD
  - Infrastructure finance company
  - Warehousing Corporations
  - Nidhi Companies

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 c
- Which of the following is/are Credit Rating Agency?
  - Standard & Poor
  - Goldman Sachs
  - Morgan Stanley
  - Barclays

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 a
- Which of the following statement is true about Credit Rating Agencies (CRAs)?
 

**Statement I:** Credit Rating is a recommendation to buy or sell a security

**Statement II:** Credit Rating is based on information provided by the borrowers and the one obtained by CRA independently

**Statement III:** CRA does not perform audit functions or attests the veracity of information provided by the borrowers

  - Only I
  - Only II
  - Only I and II
  - Only II and III

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 d
- With reference to Venture Capital, which of the following activities are financed by the second-round financing?
  - Initiating operations or developing prototypes
  - Starting commercial production and marketing
  - Market expansion and enhanced working capital requirement
  - Takeover & product development for profit making company

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 c
- Which of the following is not a non-banking statutory financial organization?
  - National Housing Bank (NHB)
  - Micro Finance Institution (MFI)
  - Tourism Finance Corporation of India (TFCI)
  - Warehouse Corporations (WCs)

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 b
- \_\_\_\_\_ is a financial institution with a principal business of financing physical assets supporting productive/economic activity, such as automobiles, tractors
  - Investment company
  - Loan company
  - Infrastructure Finance Company
  - Asset Finance Company

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 d
- Which are the service(s) not provided by a Category III Merchant Bank?
  - Advisor
  - Underwriter
  - Consultant
  - Manager

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 d
- Which of the following is not a credit rating methodology?
  - Management Evaluation
  - Geographical Analysis
  - Technical Analysis
  - Regulatory & Competitive Environment

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 c
- “Residuary Non-Banking Company is a class of NBFC ; has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner and not being Investment, Asset Financing, Loan Company”
  - True
  - False

a  
 b

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 a
- Which of the following statement(s) is/are not true about Infrastructure Finance Company (IFC)?
  - It is a non-banking finance company
  - It deploys at least 60 per cent of its total assets in infrastructure loans
  - It has a minimum Net Owned Funds of ₹ 300 crore
  - It has a minimum credit rating of ‘A’ or equivalent d) and a CRAR of 15%.

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 b
- Which of the following statement(s) is/are not true about factoring?
  - It reduces the credit risk of the seller.
  - The working capital cycle runs smoothly as the factor immediately provides funds on the invoice.
  - The cost of factoring is minimal
  - It reduces the need for the introduction of new capital in the business.

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 c
- Which of the following statement are true:
 

**Statement I:** The concept of venture capital was formally introduced in India in 1987 by IDBI

**Statement II:** It is regulated by RBI

  - Only I
  - Only II
  - Both I and II
  - Neither I nor II

a  
 b  
 c  
 d

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 a
- Non Banking Financial Organizations are also called development banks.
  - True
  - False

a  
 b

No, the answer is incorrect.  
 Score: 0  
 Accepted Answers:  
 b