

Exam.Code:5174
Sub. Code: 14571

2056
Bachelor of Commerce (Financial Markets) FYUP
Fourth Semester
NBCM-402: Basics of Mutual Fund

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section-A. Attempt two questions each from Section B and C respectively.

x-x-x

Section - A

I. Attempt any four of the following:-

- a) Differentiate between Open-ended and Close-ended mutual fund schemes.
- b) What is risk in mutual fund investment?
- c) Explain the investment process in mutual funds.
- d) What is KYC? Why is it mandatory for mutual fund investors?
- e) State any two regulations of Securities and Exchange Board of India (SEBI) regarding mutual funds.
- f) Mention any two taxation provisions applicable to mutual fund investments in India.

(4x5)

Section - B

- II. Define Mutual Fund and explain its key features and role in the financial system. (15)
- III. Explain the concept of New Fund Offer (NFO) and discuss the key aspects that an investor should consider before investing in an NFO. (15)
- IV. Discuss the various parties involved in a mutual fund, such as Sponsor, Trustee, Asset Management Company (AMC), Custodian, Registrar, and Transfer Agent, and elaborate on their roles and responsibilities. (15)
- V. Explain how equity, debt, hybrid, and solution-oriented schemes cater to different types of investors with varying risk appetites. (15)

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(2)

Section - C

- VI. Explain the concept of Net Asset Value (NAV) and describe the method of its calculation. (15)
- VII. Explain different types of risks associated with mutual funds and discuss the concept of risk-adjusted return and benchmark return in evaluating mutual fund performance. (15)
- VIII. Explain the role of Securities and Exchange Board of India (SEBI) in regulating mutual funds. Also elaborate on the rights and obligations of Association of Mutual Funds in India (AMFI) and investors. (15)
- IX. Discuss investor eligibility, documentation requirements, KYC process, subscription and redemption procedures, and taxation aspects of mutual fund investments in India. (15)

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