

Total No. of Questions: 6

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Enrollment No.....



Faculty of Management  
End Sem (Odd) Examination Dec-2018  
MS5OE01 Mutual Fund Management

Programme: MBA

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.

- Q.1
- i. Mutual fund can benefit from economies of scale because of **1**  
(a) Portfolio diversification (b) Risk reduction  
(c) Large volume of trades (d) None of these
  - ii. An actively managed equity fund expects to **1**  
(a) Be able to beat the benchmarks  
(b) Earn the same returns as the benchmark  
(c) Have no benchmarks  
(d) Under-perform when compared with the benchmark
  - iii. The NAV of each scheme should be updated on AMFI's website **1**  
(a) Every quarter (b) Every month  
(c) Every hour (d) Every day
  - iv. An AMC cannot explain adverse variations between expense **1**  
estimates for the scheme on offer and actual expenses for past  
schemes in  
(a) Financial newspapers (b) Business channels on TV  
(c) The offer document (d) AMFI newsletter
  - v. Investors' rights under a scheme are **1**  
(a) Uniform for all schemes of all funds  
(b) Not defined  
(c) Listed in the offer document  
(d) Available with stock exchanges
  - vi. Mutual funds are described as \_\_\_\_ in the SEBI Regulations, 1996 **1**  
(a) Companies (b) AMCs (c) Trusts (d) Agencies

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- vii. The Expense Ratio as a measure of a fund's performance is defined as **1**  
(a) Total expenses and average net assets  
(b) Total expenses and total asset  
(c) Average expenses and average net assets  
(d) None of the above
- viii. Dividends distributed by mutual funds are **1**  
(a) Taxed at source  
(b) Taxed in the hands of the investors  
(c) Subject to capital gains tax  
(d) Tax-free in the hands of the investor
- ix. Which Mutual Fund has majority of the agents selling its Mutual Fund units in India **1**  
(a) LIC Mutual Fund (b) UTI Mutual Fund  
(c) SBI Mutual Fund (d) None of these
- x. Emerging or new channel for distributors/marketing of Mutual Fund in India is **1**  
(a) Insurance Companies  
(b) Banks  
(c) Qualified Mutual Fund agents  
(d) Direct Sales agents of respective mutual funds
- Q.2 i. What do you understand by mutual fund? **2**  
ii. Explain role of mutual fund in India. Differentiate between fund units and shares. **8**
- OR iii. Briefly explain different types of mutual fund scheme in India. **8**
- Q.3 i. Explain types of load. **2**  
ii. What is the role of fund offer document in mutual fund? Explain types of fund offer document. **8**
- OR iii. Explain the concept of exchange traded funds. Discuss the features of exchange traded funds **8**
- Q.4 i. What do you mean by deregulation? **2**

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- ii. Explain the various advantages of mutual fund in details. **8**
- OR iii. What is investor's protection? Describe investor's rights in detail. **8**
- Q.5 i. What is role of ratio analysis in mutual fund? **2**  
ii. Explain different types of ratio used for analysis in mutual fund. **8**
- OR iii. What are the factors that determine the tax status of mutual funds? **8**
- Q.6 Attempt any two:
- i. Explain the process of selection of mutual fund. **5**
- ii. What is the reason for slow growth of mutual fund industry in India? **5**
- iii. Throw light on the growth pattern of mutual funds in India. **5**

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**Marking Scheme**  
**MS5OE01 Mutual Fund Management**

Q.1	i.	Mutual fund can benefit from economies of scale because of (c) Large volume of trades	<b>1</b>
	ii.	An actively managed equity fund expects to (a) Be able to beat the benchmarks	<b>1</b>
	iii.	The NAV of each scheme should be updated on AMFI's website (d) Every day	<b>1</b>
	iv.	An AMC cannot explain adverse variations between expense estimates for the scheme on offer and actual expenses for past schemes in (c) The offer document	<b>1</b>
	v.	Investors' rights under a scheme are (c) Listed in the offer document	<b>1</b>
	vi.	Mutual funds are described as ____ in the SEBI Regulations, 1996 (c) Trusts	<b>1</b>
	vii.	The Expense Ratio as a measure of a fund's performance is defined as (a) Total expenses and average net assets	<b>1</b>
	viii.	Dividends distributed by mutual funds are (d) Tax-free in the hands of the investor	<b>1</b>
	ix.	Which Mutual Fund has majority of the agents selling its Mutual Fund units in India (b) UTI Mutual Fund	<b>1</b>
	x.	Emerging or new channel for distributors/marketing of Mutual Fund in India is (b) Banks	<b>1</b>
Q.2	i.	Meaning of mutual fund	<b>2</b>
	ii.	Role of mutual fund	<b>1 mark</b>
		Difference b/w fund units and shares.	<b>7 marks</b>
OR	iii.	Types of mutual fund scheme in India.	<b>8</b>
Q.3	i.	Types of load.	<b>2</b>
	ii.	Role of fund offer document in mutual fund	<b>1 marks</b>
		Types of fund offer document.	<b>7 marks</b>

OR	iii.	Concept of exchange traded funds	<b>2 marks</b>	<b>8</b>
		Features of exchange traded fund	<b>6 marks</b>	
Q.4	i.	Meaning of deregulation		<b>2</b>
	ii.	Advantages of mutual fund		<b>8</b>
OR	iii.	Meaning of investor's protection	<b>2 marks</b>	<b>8</b>
		Investor's rights	<b>6 marks</b>	
Q.5	i.	Role of ratio analysis in mutual fund		<b>2</b>
	ii.	Types of ratio used for analysis in mutual fund.		<b>8</b>
OR	iii.	Factors that determine the tax status of mutual funds		<b>8</b>
		According to answer		
Q.6		Attempt any two:		
	i.	Process of selection of mutual fund.		<b>5</b>
		Each process carry 1 mark	<b>(1 mark *5)</b>	
	ii.	Reason for slow growth of mutual fund industry in India		<b>5</b>
		Each reason carry 1 mark	<b>(1 mark * 5)</b>	
	iii.	Growth pattern of mutual funds in India.		<b>5</b>
		As per answer		

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