

315- Marketing of Financial Services – II

1. What is the role of financial services in the economy?

- a. Generating revenue for the government
- b. Facilitating the flow of funds and risk management
- c. Providing entertainment services
- d. None of the above

Answer: b. Facilitating the flow of funds and risk management

2. What is the distinctive feature of financial services in India?

- a. Uniformity in offerings
- b. Diversity in financial products and services
- c. Limited regulatory framework
- d. None of the above

Answer: b. Diversity in financial products and services

3. What is the key terminology used in financial markets?

- a. Jargon
- b. Lingo
- c. Slang
- d. Terminologies

Answer: d. Terminologies

4. Which market is considered a part of the capital markets?

- a. Real Estate Market
- b. Bond Market

- c. Commodity Market
- d. All of the above

Answer: b. Bond Market

5. What is the regulatory aspect of the financial market?

- a. Ensuring monopoly
- b. Maintaining transparency and fairness
- c. Encouraging market manipulation
- d. None of the above

Answer: b. Maintaining transparency and fairness

6. What is NAV in the context of mutual funds?

- a. Net Asset Value
- b. Non-Accrued Value
- c. New Asset Verification
- d. None of the above

Answer: a. Net Asset Value

7. How are mutual funds classified based on investment objective?

- a. By fund manager's preference
- b. By structure
- c. By investment plan
- d. All of the above

Answer: c. By investment plan

8. What is the key difference between Mutual Funds and ETFs?

- a. Mutual Funds are actively managed, while ETFs are passively managed

- b. Mutual Funds can only invest in stocks, while ETFs can invest in various assets
- c. Mutual Funds have lower liquidity than ETFs
- d. None of the above

Answer: a. Mutual Funds are actively managed, while ETFs are passively managed

9. What is a common element in the marketing mix of Mutual Funds?

- a. Product
- b. Place
- c. Promotion
- d. All of the above

Answer: d. All of the above

10. Relative risks associated with various Mutual Funds in India depend on:

- a. Market conditions
- b. Fund manager's experience
- c. Investment objective
- d. All of the above

Answer: d. All of the above

11. What is the basic understanding of insurance products?

- a. Investment vehicles
- b. Risk management tools
- c. Entertainment services
- d. None of the above

Answer: b. Risk management tools

12. Who regulates the insurance industry in India?

- a. RBI
- b. SEBI
- c. IRDA
- d. Ministry of Finance

Answer: c. IRDA

13. What is the concept of Term Insurance?

- a. Insurance for a specific term with no maturity benefit
- b. Insurance with guaranteed returns
- c. Insurance for a lifetime
- d. None of the above

Answer: a. Insurance for a specific term with no maturity benefit

14. What is ULIP in the context of insurance?

- a. Unit-Linked Insurance Plan
- b. Uniform Liability Insurance Policy
- c. Universal Life Insurance Premium
- d. None of the above

Answer: a. Unit-Linked Insurance Plan

15. What does the Marketing Mix of Insurance services include?

- a. Price, Place, Product, Promotion
- b. Place, Policy, Premium, Promotion
- c. Policy, Price, Provider, Place

d. All of the above

Answer: a. Price, Place, Product, Promotion

16. Who are the primary clients of Wealth Management services?

a. Low-income individuals

b. High Net Worth Individuals (HNWI)

c. Students

d. Government organizations

Answer: b. High Net Worth Individuals (HNWI)

17. What is the goal-based planning approach in Wealth Management?

a. Random decision-making

b. Tailored financial service offerings

c. Short-term goals only

d. None of the above

Answer: b. Tailored financial service offerings

18. What does Estate Planning involve in Wealth Management?

a. Managing physical assets only

b. Planning for distribution of assets after death

c. Managing liabilities

d. None of the above

Answer: b. Planning for distribution of assets after death

19. What is a key challenge for technology in wealth management services?

a. Lack of skilled wealth managers

b. Limited use of artificial intelligence

- c. Cybersecurity concerns
- d. None of the above

Answer: c. Cybersecurity concerns

20. What is a competency of a wealth manager?

- a. Technical skills only
- b. Communication skills only
- c. Both technical and communication skills
- d. None of the above

Answer: c. Both technical and communication skills

21. How is the risk profile of a portfolio determined?

- a. By the fund manager's preference
- b. By analyzing the proportion of various asset classes
- c. By market conditions only
- d. None of the above

Answer: b. By analyzing the proportion of various asset classes

23. What is the Treynor Ratio used for?

- a. Measuring the performance of a portfolio adjusted for risk
- b. Assessing the liquidity of assets
- c. Evaluating market trends
- d. None of the above

Answer: a. Measuring the performance of a portfolio adjusted for risk

24. What does Money Weighted Returns indicate?

- a. Return on investment adjusted for inflation

- b. Returns based on the timing of cash flows
- c. Returns based on the overall market performance
- d. None of the above

Answer: b. Returns based on the timing of cash flows

25. How is the Sharpe Ratio calculated?

- a. Return divided by risk-free rate
- b. Risk-free rate divided by return
- c. Portfolio risk divided by market risk
- d. None of the above

Answer: a. Return divided by risk-free rate

26. What is the primary factor considered when segmenting clients based on the risk-return principle?

- a. Age only
- b. Investment objective only
- c. Risk tolerance
- d. All of the above

Answer: d. All of the above