THE NORTHCAP UNIVERSITY	Minor Examination Question Paper	Review Date:
	Department of Management and Commerce	Semester: VI Session: JAN - JUN 2025
	Programme: **B. Com (H) FM** Course Name: **Mutual Fund Distributors** Course Code: **CML306**	Maximum Marks: 25 Duration: 90 minutes
		Sheet 1 of 2

Instructions

1. The paper has THREE Sections.
   a. Section A has THREE questions of TWO marks each.
   b. Section B has THREE questions of FIVE marks each.
   c. Section C is Application Based and has FOUR marks.
2. There is **NO CHOICE** in this paper.
3. Attempt one section fully before starting with a new section.
4. This paper does NOT require use of any log/statistic table(s)
5. This paper does NOT require the use of any calculator.

Course Outcomes

CO 1 Comprehend the structure, types, and functioning of mutual funds, and the regulatory framework governing them.

CO 2 Assess mutual fund schemes based on investor profiles, risk factors, and financial goals to recommend suitable products.

CO 3 Utilize NAV calculations, asset allocation strategies, and systematic investment plans (SIPs) for effective financial planning.

CO 4 Exhibit professional ethics and effective sales and marketing strategies in mutual fund distribution while ensuring investor satisfaction and protection.

SECTION A

Short Answer Type Questions

6 marks

Q	QUESTION	Marks	COs
1.	You are meeting a high-net-worth individual who prefers direct stock investments but is considering diversifying into mutual funds. How would you tailor your explanation of mutual funds' role in a diversified portfolio, considering the investor's risk appetite and investment goals?	2	CO1
2.	Imagine you are advising a large institutional investor on the legal safeguards provided by SEBI for mutual fund investments. How would you highlight SEBI's role in protecting investors' interests, and how does its regulatory framework support the growth of mutual funds in India?	2	CO2
3.	A client has filed a grievance regarding the misrepresentation of a mutual fund scheme by a distributor. How would you explain the investor grievance redress mechanism available to the client, and what steps would you take to assist them in resolving the issue effectively?	2	CO3

SECTION B

Long Answer Type Questions

15 marks

Q	QUESTION	Marks	CO#
4.	A client is hesitant to invest in mutual funds due to the recent volatility in the stock markets. As a mutual fund distributor, how would you assess and explain the risk-return profile of mutual funds compared to other investment avenues in the current economic climate?	5	CO1
5.	During a client meeting, the client raises concerns about the transparency and security of mutual fund investments in India. How would you, as a mutual fund distributor, address these concerns by explaining the legal and regulatory framework governing mutual funds in	5	CO2

	India, specifically focusing on investor protection mechanisms?		
6.	A client has shortlisted two mutual fund schemes for investment: one is equity-oriented, and the other is debt-oriented. How would you analyze the scheme-related documents (KIM, SID) for these schemes to help the client make an informed decision based on their financial goals and risk profile?	5	CO1

SECTION C

Application Based Question

4 marks

Q	QUESTION	Marks	CO#
7.	Imagine you are a senior mutual fund distributor responsible for expanding your network of financial advisors and distributors. A potential distributor has approached you, seeking a partnership with your firm to sell mutual fund products. The distributor has an excellent track record in insurance sales but lacks substantial experience in mutual fund distribution. As a responsible distributor, how would you guide this potential distributor through the due diligence process conducted by Asset Management Companies (AMCs) before appointing them as an authorized distributor? Explain the key criteria that AMCs typically assess during this process, the importance of these checks, and how you, as a distributor, can help the new distributor meet these standards to ensure a smooth and ethical partnership with the AMC.	4	CO2

Issued by:	Approved by:
Date:	Date: