

Q.1.(A) Select the correct alternative out of the options given below:- (Attempt any 8)

(8M)

- _____ are generally funds that you set aside to meet your future needs.
(a) Savings; (b) Consumption; (c) Investment; (d) Inflation
- _____ is considered as one of the important drivers of growth in the economy.
(a) Depreciation; (b) Personal Income; (c) Financial System; (d) Money Supply
- _____ is the most important type of deposit banks.
(a) Development Bank; (b) Commercial Bank; (c) Agricultural Bank; (d) Co-operative Bank
- The _____ provides the channel for sale of new securities.
(a) Secondary Market; (b) Financial Market; (c) Debt Market; (d) Primary Market
- A _____ is a traded instrument issued by the Central Government or the State Government.
(a) Private Security; (b) Personal Security; (c) Government Security; (d) Zero Coupon
- _____ is a type of security that represents the ownership in a company.
(a) Equities; (b) Debentures; (c) Bonds; (d) SDRs
- _____ is a product whose value is derived from the value of one or more basic variables, called bases in a contractual manner.
(a) Securities; (b) Debt; (c) Debentures; (d) Derivative
- Bonds are _____ instruments which are issued for the purpose of raising capital.
(a) Fixed Income; (b) No Income; (c) Fluctuating; (d) Forward
- A _____ is a card or mechanism which enables cardholders to purchase goods, travel and dine in a hotel without making immediate payments.
(a) ATM Card; (b) Financial Bank; (c) Mutual Fund; (d) Credit Card
- _____ is a type of electronic card which is used for transactions made online through a computer or a smartphone.
(a) Shares; (b) Debentures; (c) Mutual Fund; (d) E-wallet

Q.1.(B) State whether the following statements are TRUE or FALSE: (Attempt any 7)

(7M)

- Financial System of any country consists of only one ingredient.
- IPO is a part of Investment in the Equity market through Secondary Market.
- The money market refers to the market where borrowers and lenders exchange long – term funds to solve their liquidity needs.
- In the organized markets, there are standardized rules and regulations governing their financial dealings.
- Government bonds are backed by the state government or central government.
- Equities don't represent the ownership in a company.
- Bonds are fixed income instruments which are issued for the purpose of raising capital.
- Short-term loans normally involve loans with maturity of one year or less.
- Credit Cards are Prepaid Cards.
- Provision of Liquidity is not a function of Financial Services.

Q.2. Answer the following:

- What are the causes, measurement and effects of inflation? (8M)
 - Explain the Determinants of Domestic Saving? (7M)
- OR
- Write a note on Banking Institutions? (8M)
 - Explain Saving and Investment? (7M)

Q.3. Answer the following:

- Explain the Advantages of Primary Market? (8M)
 - Explain New Issue Market and its Functions? (7M)
- OR
- What is the Need for the Capital Market? (8M)
 - Explain the Functions of Stock Exchange? (7M)

Q.4. Answer the following:

- What is a Financial Instrument? Explain different types of financial instruments? (8M)
 - Explain Derivatives and Characteristics of Derivatives? (7M)
- OR
- Explain the Distinguish between Futures v/s Options? (8M)
 - Explain the Growth of Derivative Market in India. (7M)

Q.5. Answer the following:

- What is Financial Services? Explain the Importance of Financial Services? (8M)
- Explain the Features and Advantages of Mutual Funds? (7M)

OR

Q.5. Write short notes on: (Any 3 out of 5)

(15M)

- Parties to the Credit Cards
- Limitations of Mutual Funds
- E-Wallets
- Problems of Merchant Bankers
- Benefits of Credit Cards