

Q.P. Code : 30277

[Time: Hours]

[Marks:]

Please check whether you have got the right question paper.

- N.B: 1. Attempt all questions
2. Figures to the right indicate full marks

Q1 A) Multiple choice Questions (any 8)

1. _____ refers to the market where borrower and lenders exchange short-term Funds to solve their liquidity needs.
(Money Market, Capital Market)
2. The _____ is a market where existing securities are traded.
(Primary Market, Secondary Market)
3. _____ is not a feature of mutual fund.
(Professional Management, Portfolio diversification Huge Capital Appreciation)
4. Bonds are _____ instruments which are issued for the purpose of raising Capital.
(Flexible income, Fixed income)
5. _____ are in business to take advantage of discrepancy between prices in two different markets.
(Arbitrageurs, Brokers)
6. _____ was scheme under the mutual fund which gives tax benefit.
(ELSS, Growth Scheme, Debt Scheme)
7. _____ is a mutual fund having lock in period.
(Open ended scheme, Close ended scheme, Debt Scheme)
8. Saving is defined as _____ income minus personal Consumption expenditure.
(Personal Disposable, Savings)
9. Value of money _____ with the occurrence of interest.
(Depreciates, Appreciates)
10. _____ is a limitations of mutual fund.
(Economies of scale, Tax Efficiencies, overload of Choices)

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B) True or false (any 7)

1. Interest rate is also a tool for Controlles deflation.
2. Interest rates in fluence the level of investment in an Economy.
3. The stock Exchange is market for old securities.
4. Government bonds are backed by state Government or Central Government.
5. Treasury Bills are short team money market instrument issued by the RBI.
6. SWAPS are private agreements between two parties to exchange cash flows in the future according to pre-arranged formula.
7. Provision of liquidity is not a function of financial services.
8. In India merchant bankers do not provide the service of loan syndication.
9. Financial system of any country consists of only one ingredients.
10. Financial services is a part of financial system.

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- Q.2 Answer in detail
- A) Explain the overview of financial system in India. 8
 - B) What is inflation? What are the various types of inflations? 7
- OR
- C) Explain in detail capital formation 8
 - D) Explain in detail on non-banking financial institutions. 7
- Q.3 Answer in detail
- A) Explain classification of financial markets. 8
 - B) Explain advantages and disadvantages of primary markets. 7
- OR
- C) What is capital market? What are the needs and importance of capital market 8
 - D) Explain secondary market and its functions in short. 7
- Q.4 Answer in detail
- A) What is financial instrument? Explain different types of financial instrument. 8
 - B) Write a note on functions of derivative markets. 7
- OR
- C) Explain derivative markets in India. What are its types? 8
 - D) What is future contracts? Explain its features. 7
- Q.5
- A) Write a note on merchant banking and services of merchant bank. 8
 - B) What is mutual fund? Explain its features. 7
- OR
- Q.5 Short notes (any 3 out of 5) 15
- A) Merits of credit cards
 - B) Problems of merchant banks
 - C) E-Wallets
 - D) Equity funds
 - E) Investment plan
