

# Fin. market operations (FC-Plain)

SEAT NO:- \_\_\_\_\_  
MARKS:- 75

DURATION: - 2½ hrs

FC335211024

Note: - (1) All questions are compulsory.

(2) Figures to the right indicate full marks

(3) Answer to each question must be on a new page

**Q.1) Multiple choice questions (Any 8)**

8M

- A
- 1) Value of money \_\_\_\_\_ with the occurrence of interest.  
(Depreciates/ increases/ constant/none of the above) CO1-U
  - 2) The \_\_\_\_\_ is a market for old securities.  
(Primary market/ secondary market/money market/goods market) CO2-U
  - 3) \_\_\_\_\_ refers to the work of investigation of new project proposals  
(Financial review/ organisation/blocking/none). CO3-R
  - 4) Government bonds are backed by \_\_\_\_\_ government.  
(State/private/ public/none) CO4-U
  - 5) \_\_\_\_\_ refers to the market where borrowers and lenders exchange short term funds.  
(primary market/secondary market/money market/goods market) CO1-U
  - 6) \_\_\_\_\_ future contract with the index as the under lying asset.  
(stock/index/currency/money) CO2-U
  - 7) \_\_\_\_\_ wishes to bet on future movements in the price of an asset.  
(arbitrageurs/hedgers/speculators/none) CO3-U
  - 8) \_\_\_\_\_ is a type of security that represents the true ownership in a company.  
(Equity/ preference/ debenture/ none) CO4-U
  - 9) The financial service can also be called \_\_\_\_\_  
(Financial intermediation/financial instruments/ financial institution/none of the above) CO1-U
  - 10) \_\_\_\_\_ is a type of electronic card which is used for transaction made online through a computer or smartphones.  
(E-wallet /G-pay/ phone /none) CO2-U

**Q.1) State whether the following statements are true or false. (Any 7)**

7M

- A
- 1) Credit cards are prepaid cards. CO1-U
  - 2) DIPP stands for department of industrial promotion and procurement CO2-U
  - 3) Provision of liquidity is not a function of financial services. CO3-R
  - 4) Promotion of savings is one of the function of financial services. CO4-U
  - 5) Financial systems canalize the funds from the surplus units to the deficit units. CO1-U
  - 6)  $GDP=C+I+G$  CO2-U
  - 7) Interest rate is also a tool for controlling deflation CO3-U
  - 8) The debt market in India comprises of many categories CO4-U
  - 9) Hedgers don't face risk associated with price of asset. CO1-U

|   |        |            |
|---|--------|------------|
| 10) Index futures is a future contract with the index as the underlying asset.              | CO2-U  |            |
| <b>Q.2) Answer in detail</b>  |        |            |
| a) What is inflation? Explain various types of inflation.                                   | CO1-U  | 8          |
| b) Explain the determinants of domestic saving.   | CO1-U  | 7          |
| OR  |        |            |
| c) Explain an overview of Indian financial system with reference to savings and investment. | CO1-U  | 8          |
| d) Explain banking institutions and its features.   | CO1-A  | 7          |
| <b>Q.3) Answer in detail</b>  |        |            |
| a) What is financial market and its classification?   | CO2-A  | 8          |
| b) What are the advantages and disadvantages of primary market?                             | CO2-U  | 7          |
| OR  |        |            |
| c) What is bond? Explain its features.  | CO2-U  | 8          |
| d) What is government securities and explain its types.                                     | CO2-AE | 7          |
| <b>Q.4) Answer in detail</b>  |        |            |
| a) What is forwards contract? Explain its features.   | CO4-R  | 7          |
| b) What is Future contract? Explain its features.   | CO3-R  | 8          |
| OR  |        |            |
| c) Explain financial instruments and its types.   | CO4-U  | 7          |
| d) Explain derivative and its types   | CO3-A  | 8          |
| <b>Q.5) Write short note ( ANY 3)</b>   |        | <b>15M</b> |
| a) E-Wallet   | CO1-R  |            |
| b) Mutual funds   | CO2-U  |            |
| c) Credit cards   | CO3-R  |            |
| d) Investment plan  | CO4-U  |            |
| e) Service of merchant banks  | CO1-R  |            |

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