

Q.P. Code: 30348

Duration: 2 ½ Hrs.

Max. Marks: - 75

Note: All question are compulsory

Figures to right indicate full marks

Q1) A fill in the blanks with appropriate words (any eight) 08

1. _____ agrees to take a specified number of shares or debentures offered to the public if the issue is not fully subscribed by the public

1) Underwriters 2) merchant banker 3) forfeiting

2. The _____ deals in new financial claim, so it is called new issue market

1) Money market 2) primary market 3) capital market

3. RBI has been given the statutory function of _____ issue monopoly basis

1) Treasury bills 2) Note issue 3) promotional activities

4. _____ minister is chairman of central board of directors of RBI

1) Financial minister 2) Governor 3) president

5. The NSE is value weights index composed of _____ stocks

1)30 2)50 3)50 4)70

6. Whenever a company issues new shares or debentures it is known as _____

1) Equity 2) IPO 3) shares

7. A put option contains right to _____ a futures contract

1) Sell 2) buy 3) call

8. Yield to maturity is _____ payment of bond

1) is current price of a bond 2) is coupon payments a bond 3) is related to price for a bond

9) The _____ committee recommended that the government must borrow at market related rates

1) Naraismham 2) CV Raman 3) chakraborty

10) _____ instruments which have a maturity of less than one year at the time of issue are called money instrument.

1) Debt 2) Equity 3) money market

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B) State whether the following statements are true or false (any seven) 07

1. T-bills are issued at a discount and are redeemed at face value on maturity
2. CP is not sold at a discount and redeemed at
3. Commodity futures traders are required to deposit high margins
4. Livestock risk protection (LRP) works like a call option
5. Cash credit is mainly used by the banks to meet their temporary requirement of cash
6. Financial instruments are those instrument issued by govt.
7. Secondary market deals with listed securities
8. Commercial paper are highly liquid instruments that means at any time holder can transfer of or get it discounted from RBI
9. A scheduled bank means a bank included in the second schedule of the reserve bank of India Act 1934
10. Speculators handle transactions on a commission basis for their brokers

Q2 What is financial system? Explain its role and importance of it in economic development

OR 15

- A) Explain in detail the operation of primary Market in India 08
- B) What is an intermediary? explain role of intermediaries in development of financial market 07

Q3 A) what are the characteristics of money market? Explain its role in detail 08

B) Explain the various factors responsible capital market in India 07

OR

c) What are the function of the stock exchanges 08

D) What is bond ? Explain the types of bonds 07

Q4 A) explain the role of commodities market in financial markets 08

B) what is derivatives explain its advantages and disadvantages 07

OR

C) What is SEBI? Explain power and functions of SEBI 08

D) What are the types of derivatives contracts? 07

Q5) Write short notes (any three) 15

1. Swaps
2. MCX
3. Money market instruments
4. Hire purchase
5. RBI