



SYBBI

Subject : Financial Markets

SEM-III

AY: 2019-20

22.1.20

[Time: 2 ½ Hours]

[Marks: 75]

- Note: 1) All questions are compulsory.  
2) Figures at right shows full marks for questions  
3) Use of simple calculator is permitted.  
4) Working notes should form part of answers.

Q.1(A) Choose the correct alternatives from the options given below: (Any Eight) (08)

- 1) \_\_\_\_\_ are issued by commercial banks at a discount on the face value.  
a) Share    b) Treasury Bills    c) Commercial Papers    d) CD's
- 2) The \_\_\_\_\_ deals in new financial claim, so it is called new issue market.  
a) Money Market    b) Primary Market    c) Capital Market    d) Secondary Market
- 3) The NSE is a value weights index composed of \_\_\_\_\_ stocks.  
a) 30    b) 50    c) 70    d) 500
- 4) Whenever a company issues new shares or debentures it is known as \_\_\_\_\_.  
a) Equity    b) IPO    c) shares    d) FPO
- 5) A put option contains right to \_\_\_\_\_ a futures contract.  
a) Sell    b) Buy    c) Call    d) give
- 6) \_\_\_\_\_ are additional shares given to the current shareholders without any additional cost.  
a) Right issue    b) ESOP    c) Bonus share    d) Preference share
- 7) T-Bills are issued by \_\_\_\_\_.  
a) RBI    b) SEBI    c) FMC    d) NBFC
- 8) In \_\_\_\_\_ market, shares, debentures and other securities are sold for the first time.  
a) primary    b) secondary    c) money    d) unorganised
- 9) \_\_\_\_\_ is currently serving as the 25<sup>th</sup> Governor of RBI.  
a) Urjit Patel    b) Raghuram Rajan    c) Shaktikanta Das    d) Narendra Modi
- 10) In \_\_\_\_\_ market, funds can be borrowed and lent for one day.  
a) Call money    b) money    c) treasury bill    d) notice money

Q.1 (B) State whether the following statements are True or False (Any Seven) (07)

- 1) CP is not sold at a discount.
- 2) Financial instruments are instruments which are issued by the Government
- 3) Commodity future traders are required to deposit high margins.
- 4) Call money market is known as inter-bank loan market.
- 5) Private sector companies issue commercial papers and corporate debentures.
- 6) The Central Co-operative Bank works at the apex level.
- 7) The Central board of directors is at the top of the Reserve Bank's organizational



structure.

- 8) The organised sector is largely made up of money lenders and indigenous bankers.
- 9) The secondary market is also known as the stock market.
- 10) A company issuing shares to small group of investors is called as IPO.

- Q.2(A) What are the reasons for investing in Commodity Market? (08)
- Q.2(B) Distinguish between Forward Contract and Future Contract . (07)

**OR**

- Q.2(P) What are Derivatives. Explain its advantages and disadvantages. (08)
- Q.2(Q) What are the various participants in Derivative Market. (07)

- Q.3(A) Elaborate the weaknesses of the Indian Financial System. (08)
- Q.3(B) Explain in detail the operation of Primary Market in india. (07)

**OR**

- Q.3(P) Discuss in brief the structure of Indian Financial System. (08)
- Q.3(Q) State the features of financial System. (07)

- Q.4(A) Explain the instruments of Derivative Markets. (08)
- Q.4(B) What are the characteristics of Derivative? (07)

**OR**

- Q.4(P) What are the various functions of the Financial System. (08)
- Q.4(Q) What are the various challenges faced by the financial sector? (07)
- Q.5(A) Mention the various functions of the financial intermediaries. (08)
- Q.5(B) Explain in detail about Banking and Non-banking financial Institution in India. (07)

**OR**

- Q.5 Write short notes (Any three) (15)
  - 1) Secondary Market
  - 2) SEBI
  - 3) Venture Capital
  - 4) Fundamental Analysis
  - 5) Fee-based Financial Services

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