

SYBBI - Semester 3

Financial Markets

Time: 2 ½ Hours

75 marks

Note:

All questions are compulsory.

Figures to right indicate marks.

Q1. (A) Fill in the blanks (any 8)

8 marks



1. \_\_\_\_\_ who is currently serving as Governor of Reserve Bank of India.  
a) Urjit Patel b) Raghuram Rajan c) Rajnath Singh d) Shashikant Das
2. Diversification can reduce \_\_\_\_\_.  
a) Risk b) Uncertainty c) Probability.
3. A \_\_\_\_\_ exchange act as a commonplace where traders can buy and sell Commodities.  
a) Central Government b) State Government c) Central & State Government
4. The \_\_\_\_\_ in India comprises PSU bonds and private sector bonds.  
a) Corporate Debt Market b) Money Bill c) Capital Market d) Treasury bills
5. \_\_\_\_\_ are additional shares given to the current shareholders without any additional cost.  
a) Right Issue b) ESOP c) Bonus share.
6. \_\_\_\_\_ is a prospectus, which does not have details of either price or number of shares being offered, or the amount of issue.  
a) Prospectus b) Red Herring Prospectus c) Book building d) Draft.
7. A market for borrowing and lending of funds for a very short period is \_\_\_\_\_.  
a) Cash Loan b) Call Loan c) Certificate of deposits d) Debentures.
8. \_\_\_\_\_ is chairman of central board of directors of RBI.  
a) Finance Minister b) Governor c) President
9. The Reserve Bank of India was established on \_\_\_\_\_.  
a) 1935 b) 1938 c) 1949
10. \_\_\_\_\_ is the function of financial system.  
a) Saving function b) Nationalization of financial institutions  
c) Establishment of development banks d) Intermediaries control.

(B) True or False (any 7)

7 marks

1. SEBI is a regulator of the Indian Mutual fund Industry.
2. Basis = Cash price – Future Price.
3. Multi Commodity Exchange of India Limited (MCX) is India's First listed exchange.
4. T- Bills are issued at a discount and are redeemed at face value on maturity.
5. "Sweat equity shares" means such equity shares as are issued by a company to its directors or employees at a discount or for consideration.
6. Speculators handle transactions on a commission basis for their brokers.
7. Demand Bills which are promissory notes or financial bills issued by the RBI on behalf of Government of India.
8. The Central board of directors is at the top of the Reserve bank's organizational structure.
9. Cash credit is mainly used by the banks to meet their temporary requirements of cash.
10. RBI, the leader of the financial system, was established as a private institution in 1945.

Q2. A) What are the characteristic and types of factoring? Also elaborate on parties involved in factoring. 8 marks

B) Discuss the objectives, Composition and functions of SEBI. 7 marks

OR

C) Discuss Fee based financial services. 8 marks

D) Elaborate on the advantages and disadvantages of leasing. 7 marks

Q3. A) Discuss the capital market instruments. 8 marks

B) Discuss the advantages and disadvantages of listing securities. 7 marks

OR

C) Difference between equity market and Debt market. 8 marks

D) Discuss the ESOP in brief. 7 marks

Q4. A) Discuss the various commodity exchanges in India. 8 marks

B) Discuss the functions of derivate market. 7 marks

OR

C) Discuss about forward market commission. 8 marks

D) Discuss the characteristic of derivate market. 7 marks



Q5

- A. Write about hire purchase.
- B. Write about the concept about in the money, out the money and at the money in option contracts.

8 marks

7 marks

OR

Short notes (any 3)

15 marks

1. ESOP
2. Strategies in derivate markets
3. Money market instruments
4. Capital market instruments
5. SWEAT.