

SYBBI

Subject : Financial Markets

SEM-III

AY: 2019-20

[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) \_\_\_\_\_ is the oldest stock exchange in India.  
a) NYSE      b) BSE      c) NSE      d) OTC
- 2) Diversification can reduce \_\_\_\_\_.  
a) risk      b) probability      c) uncertainty      d) inflation
- 3) \_\_\_\_\_ instruments which have a maturity of less than one year at the time of issue are called money instrument.  
a) Debt      b) Money-market      c) Equity      d) Derivative
- 4) \_\_\_\_\_ is not a money market instrument.  
a) Treasury bill      b) Commercial paper      c) bond      d) Repurchase agreement
- 5) \_\_\_\_\_ is a security used by RBI to adjust liquidity in the financial systems.  
a) T-Bills      b) CDs      c) CPs      d) REPO
- 6) The holders of \_\_\_\_\_, are members of the company and have voting rights.  
a) Treasury bill      b) Debentures      c) Derivatives      d) Equities
- 7) The price of new issue (IPO) is decided by the company along with its \_\_\_\_\_.  
a) Merchant bank      b) Shareholders      c) SEBI      d) \_\_\_\_\_ Stock Exchange
- 8) A \_\_\_\_\_ in which the prices of a group of securities are rising or are expected to rise is called a \_\_\_\_\_ market.  
a) bull      b) bear      c) stop loss      d) recession
- 9) Banking Regulation Act, 1949 conferred wide powers upon \_\_\_\_\_ to supervise and control affairs of the banking companies in India.  
a) Commercial Banks      b) RBI      c) Private Banks      d) SEBI
- 10) \_\_\_\_\_ is the chairman of Central Board of Directors of RBI  
a) Prime Minister      b) President      c) Governor      d) Finance Minister

Q.1 (B) Match the following and re-write. (Any Seven) (07)

GROUP 'A'	GROUP 'B'
(1) SENSEX	(a) Additional shares given to the current shareholders without any addition cost
(2) Regulator of Money Market	(b) Indigenous Bankers

(3) Bonus share	(c) Derives its value from underlying asset
(4) Derivatives	(d) 1949
(5) T-Bill	(e) Sensitivity Index
(6) Unorganised Market	(f) Short Term borrowings
(7) Banking regulation Act	(g) Assessment of credit worthiness of a borrower
(8) Money Market	(h) 91 days to 364 days
(9) Credit Rating Agency	(i) Long term borrowings
(10) Capital Market	(j) RBI

- 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) Compare between primary and secondary market.. (08)  
 Q.3(Q) Which are the various stock exchanges in India? (07)

- Q.4(A) What are the various functions of the Financial System. (08)  
 Q.4(B) What are the various challenges faced by the financial sector? (07)

**OR**

- Q.4(P) What are the various components of Capital Market? (08)  
 Q.4(Q) Distinguish between Equity Market and Debt Market. (07)

- Q.5(A) What are Derivatives. Explain its advantages and disadvantages. (08)  
 Q.5(B) What are the various participants in Derivative Market. (07)

**OR**

- Q.5 Write short notes (Any three) (15)
- 1) Fund-based Financial Services
  - 2) Mutual Funds
  - 3) Technical Analysis
  - 4) BSE
  - 5) Capital Market

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