



SYBBI – Semester 3

Financial Markets.

24.3.23

Time: 2 ½ Hours

Marks: 75

Note:

All questions are compulsory.

Figures to right indicate marks.

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

8 marks

1. _____ is the function of financial system.
a) Saving function b) Nationalization of financial institutions
c) Establishment of development banks d) Intermediaries control.
2. The Reserve Bank of India was established on _____.
a) 1935 b) 1938 c) 1949
3. _____ is chairman of central board of directors of RBI.
a) Finance Minister b) Governor c) President
4. 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.
5. _____ 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.
6. _____ are additional shares given to the current shareholders without any additional cost.
a) Right Issue b) ESOP c) Bonus share.
7. The _____ in India comprises PSU bonds and private sector bonds.
a) Corporate Debt Market b) Money Bill c) Capital Market d) Treasury bills.
8. A _____ exchange acts as a commonplace where traders can buy and sell Commodities.
a) Central Government b) State Government c) Central & State Government
9. Diversification can reduce _____.
a) Risk b) Uncertainty c) Probability.
10. _____ who is currently serving as Governor of Reserve Bank of India.
a) Urjit Patel b) Raghuram Rajan c) Rajnath Singh d) Shashikant Das



(B) True or False. (Any 7)

7 marks

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

Q2. A) Discuss fund based financial services.

8 marks

B) Discuss the function of RBI in brief.

7 marks

OR

C) Discuss the role of Government in development of India financial system.

8 marks

D) Discuss money market instrument.

7 marks

Q3. A) Discuss the organizational structure of money market.

15 marks

OR

B) Explain the reforms in Indian money market.

8 marks

C) Discuss the factors responsible for growth in capital market.

7 marks

Q4. A) Discuss about financial market commission.

8 marks

B) Write the characteristic of derivatives.

7 marks

OR

C) Discuss the various commodity exchanges in India.

8 marks

D) Write about function of derivatives.

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

- C. Short notes (any 3)
 - 1. Right issue
 - 2. SWEAT
 - 3. ESOP
 - 4. STRIP
 - 5. Strategies used in derivative trading.

15 marks