

C 3379

(Pages : 3)

Name.....

Reg. No.....

FOURTH SEMESTER M.A. DEGREE EXAMINATION, JUNE 2016

(CUCSS)

Economics

EC 04 C14—FINANCIAL MARKETS

(2010 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

*Answer all the questions.
Each questions carries weightage of ¼.*

(A) Multiple Choice :

- 1 The component of capital market is :
 - (a) Treasury bill market.
 - (b) Government securities market
 - (c) Commercial bill market
 - (d) (a) and (b) together.
- 2 The money market instrument is :
 - (a) Bond.
 - (b) Debenture.
 - (c) Stock certificate.
 - (d) Certificate of deposit.
- 3 The market for short-term loans is known as :
 - (a) Call money market.
 - (b) Treasury bill market.
 - (c) Money market.
 - (d) Acceptance market.
- 4 The stock exchange is a market for :
 - (a) Old securities .
 - (b) Gold.
 - (c) Primary issues.
 - (d) Commodities
- 5 Under depositary system, the allotment and credit of shares to the beneficiary amount should be completed within how many days from the date of closure of an issue ?
 - (a) 15 days.
 - (b) 7 days.
 - (c) 21 days.
 - (d) 30 days.

Turn over

- 6 A person appointed by a stock broker to assist him in the business of securities trading called :
- (a) Sub-Broker. (b) Commission Broker.
(c) Authorized Clerk. (d) Tarawani Wala.
- 7 A contract that obligates one counter party to buy and other to sell a specific underlying assets at a specific price, amount and date in the future is known as :
- (a) Swaps. (b) Forward contracts.
(c) Futures contracts. (d) None of these.
- 8 OTCEI deals in :
- (a) Equity shares. (b) Preference shares.
(c) Bonds. (d) All the above.
- (B) Fill in the blanks :
- 9 The SCIL was set up in the year _____.
- 10 _____ are drawn by contractors on the government departments for the goods supplied to them.
- 11 Public issues involves no _____.
- 12 NSE follows _____ driven system.
- (C) State whether the following statements are True or False :
- 13 LIC is primarily a money market intermediary.
- 14 'Ad hoc' Treasury bills are always issued in favour of the RBI only.
- 15 Zero interest bonds are sold at discount.
- 16 Buyback leads to increase in share capital.

(16 × ¼ = 4 weightage)

Part B

Answer any **ten** questions.

Each question carries a weightage of 2.

- 17 Distinguish between a primary market and secondary market.
- 18 What is a capital market ?
- 19 What are the advantages of Treasury bill markets ?
- 20 State the objectives of NBFI.

- 21 What are the methods of raising capital in the primary market ?
- 22 What are the advantages of right issues ?
- 23 Write a note on Secured Premium Note.
- 24 What is buy back of shares ? State its advantages.
- 25 State the feature of OTCEI.
- 26 What are the objectives of BSE ?
- 27 Who are the players in the new issue market ?
- 28 Write a note on the preference shares.
- 29 What are the fixed income instruments ?
- 30 State the objectives of depository.

(10 × 2 = 20 weightage)

Part C

*Answer any **three** questions.
Each question carries a weightage of 4.*

- 31 Examine the nature and role of financial system in India.
- 32 Give the structure of the Indian money market and point out its deficiencies.
- 33 Explain the various capital market instruments.
- 34 Explain the functions and powers of stock Exchanges.
- 35 Discuss the financial sector reforms and recommendations of various committees since 1991.

(3 × 4 = 12 weightage)