20P	125	(Pages:	3)		:					
	EOUDTU CEMI	ESTER M.A. DEGRE	E EVAMINAT		No:					
	FOURTH SEMI	ester w.a. degre - CBCSS)		ION, A	APRIL 2022					
(Regular/Supplementary/Improvement)										
CC19P ECO4 C13 - FINANCIAL MARKETS										
(Economics - Core Course)										
Time	Three Hours	(2019 Admissio	n onwards)	М	aximum: 30 Weightage					
Tillic.	Timee Hours			171	aximum. 30 weightage					
	Part A									
		all questions. Each ques	stion carries 1/5	weight	tage.					
-	ble Choices:									
1.	An option allowing t	the owner to sell an asse	et at a future date	e is a .						
	a) Put option	b) Call option	c) Forward opt	ion	d) Future contract					
2.	Which of the follow	ing is not a problem wit	roblem with an interest rate forward contract?							
	a) Low interest rate	b) default risk								
	c) lack of liquidity		d) finding a counterparty							
3.	3. The process of holding shares in electronic form is known as									
	a) Demutualization	b) Dematerialization	c) Speculation		d) None of the above					
4.	is a type of convertible bond issued in a currency different than the issuer's									
	domestic currency?									
	a) ADR	b) GDR	c) FCCB		d) Euro note					
5.	Standardized contract	ardized contracts between buyers and sellers are								
	a) Options	b) Swaps	c) Futures		d) Warrants					
6.	Shares issued to exis	Shares issued to existing shareholders as a result of capitalization of reserves:								
	a) Debentures	b) Preferred stock	c) Income bond	d	d) Bonus shares					
7.	Options on futures c	Options on futures contracts are referred to as								
	a) Stock options	b) futures options	c) American op	otions	d) individual options					
8.	National Stock exchange was established in:									
	a) 1992	b) 1982	c) 1995	d) 19	994					
9.	The agreement between	agreement between two parties to exchange assets or sets of financial obligations for a								
	specified period of time at pre- determined intervals is called:									
	a) Futures	b) Swaps	c) Derivatives		d) Options					
10.	. A money market ins	trument is								

b) Commercial paper c) Equity shares

(1)

a) Bond

d) Debenture

**Turn Over** 

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-	ing is best suitable fo		liquidity management in financial markets?		
a) Stability		b) Minimization of risk of insolvency			
c) Efficiency		d) All the above	d) All the above		
12. Which among the follow	ing is not a characteri	stic of Treasury bill?			
a) High liquidity		b) negligible capital depreciation			
c) Readily available		d) High transaction cost.			
13. The arrangements in whi	ch investment banker	s undertake to ensure t	he full success of the		
issue of securities					
a) Acceptance houses	b) Underwriting	c) Letter of credit	d) Swap contract		
14. Which of the following is	s the apex governing	body of money market	?		
a) SEBI	b) RBI	c) NABARD	d) IRDAI		
15. Which of the following g	government scheme is	related to financial inc	clusion?		
a) PMJBY	a) PMJBY		b) PM-UDAY		
c) UJWAL YOJANA		d) PMJDY	d) PMJDY		
		(	$15 \times 1/5 = 3$ Weightage)		
	Part B (Very Sho	ort Answer Questions)			
Answer	any <i>five</i> questions. E	Each question carries 1	weightage.		
16. Distinguish government	securities and industri	ial securities.			
17. What are stock market indices?					
18. What are different types of debt instruments?					
19. What is depository?					
20. What do you mean by Mutual funds?					
21. What is margin trading?					
22. What is insider trading?					
23. Write a note on FCCB.					
			$(5 \times 1 = 5 \text{ Weightage})$		
	Part C (Short Ans	swer Questions)			
Answer any seven questions. Each question carries 2 weightage.					
24. Examine the nature and organizations of Government securities market					
25. What are the features of call money market?					
26. Discuss the role of credit rating institutions in India					

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- 29. Write a note on international bonds.
- 30. Describe the functions of SEBI
- 31. What are the various instruments of primary market?
- 32. Explain the structure of Indian money market.
- 33. Distinguish between ADR and GDR notes.

 $(7 \times 2 = 14 \text{ Weightage})$ 

## Part D (Essay Questions)

Answer any two questions. Each question carries 4 weightage.

- 34. Examine the working of stock markets in India. What are their draw backs? Comment on the regulatory effectiveness of SEBI
- 35. Critically examine financial market reforms in India since 1991.
- 36. What are futures? Distinguish between futures and options.
- 37. Elucidate the case of financial inclusion. What initiatives have been undertaken to enlarge financial inclusion?

 $(2 \times 4 = 8 \text{ Weightage})$ 

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27. Explain the difference between hedging, speculation and arbitrage

28. Explain the significance of inclusive growth.