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(Pages: 3)

Name:

Reg. No:

FOURTH SEMESTER M.A. DEGREE EXAMINATION, APRIL 2023

(CBCSS - PG)

(Regular/Supplementary/Improvement)

CC19P ECO4 C13 - FINANCIAL MARKETS

(Economics)

(2019 Admission onwards)

Time: 3 Hours

Maximum: 30 Weightage

Part A

Answer *all* questions. Each question carries 1/5 weightage.

1. Major players of Indian money market is:
(a) Central bank (b) Co-operative banks
(c) Commercial banks (d) Indigenous banks
2. Which among the following is best suitable for liquidity management in financial markets?
(a) Stability (b) Minimization of risk of insolvency
(c) Efficiency (d) All the above
3. An order for the purchase of securities of a fixed price is known as:
(a) Limit order (b) Open order (c) Stop loss order (d) None of these
4. is also called zero coupon bond.
(a) Trade bills (b) Call money
(c) Treasury bills (d) Commercial papers
5. The regulatory body for the securities market in India is:
(a) RBI (b) SEBI (c) IRDA (d) Stock exchanges
6. Government securities are also known as:
(a) Financial securities (b) Gilt edged securities
(c) Money market securities (d) None of the above
7. Capital market is a market for capital.
(a) Working capital (b) Long term capital (c) Short term capital (d) Fixed capital
8. The securities purchased by a bank for investment purposes are known as:
(a) Equity capital (b) Primary reserves
(c) Discounts (d) Secondary reserves
9. SENSEX is the index of
(a) Bombay stock exchange (b) National stock exchange
(c) Cochin stock exchange (d) None of these

(1)

Turn Over

10. Financial derivatives include:
 (a) Stocks (b) Bonds (c) Futures (d) None of these
11. Standardized contracts between buyers and sellers are:
 (a) Future (b) Swap (c) Forward (d) Warrants
12. Devise adopted to make profit out of the difference in prices of a security in two different markets is called
- (a) Arbitrage (b) Margin trading (c) Call option (d) None of these
13. Shares issued to existing shareholders as a result of capitalization of reserves:
 (a) Debentures (b) Preferred stock (c) Income bond (d) Bonus shares
14. The dominant currency of the Eurocurrency markets is:
 (a) U.S. dollar (b) Euro (c) Yen (d) Pound
15. The period over which the borrower may take down a Eurocurrency loan is known as:
 (a) Maturity of the loan (b) LIBOR rate
 (c) Drawdown (d) Margin

(15 × 1/5 = 3 Weightage)

Part B (Very Short Answer Questions)Answer any *five* questions. Each question carries 1 weightage

16. Distinguish government securities and industrial securities.
17. Write a note on Mutual funds.
18. Explain the money market reforms in India since 1991.
19. Trace out the major capital market instruments.
20. Describe the functions of SEBI.
21. Explain the difference between hedging and arbitrage.
22. What are Global Depository Receipts (GDR)?
23. Write a note on international bonds.

(5 × 1 = 5 Weightage)

Part C (Short Answer Questions)Answer any *seven* questions. Each question carries 2 weightage.

24. Write a shot note on inclusive growth.
25. What are the features of call money market?
26. Write a note on Negotiable Certificate of Deposits.
27. Explain the structure of Indian money market.
28. What do you mean by the demutualization of stock exchanges?

(2)

29. What are the main functions of Stock Holding Corporation of India?
30. Analyse the capital market reforms in India since 1991.
31. Discuss about the main participants in derivative markets.
32. What are foreign currency swaps?
33. Discuss the main reasons for the growth of Euro currency market?

(7 × 2 = 14 Weightage)

Part D (Essay questions)Answer any *two* questions. Each question carries 4 weightage.

34. Discuss the role of financial intermediaries for the growth and development of an economy.
35. Give a detailed sketch of the structure of Indian money market.
36. What do you mean by secondary market? Point out its main functions and instruments.
37. What are futures? Distinguish between futures and options.

(2 × 4 = 8 Weightage)

(3)