FOURTH SEMESTER M.A. DEGREE EXAMINATION, APRIL 2024

(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. Equity shares are the _____ shares of a limited company.

    (a) Voting   (b) Ordinary   (c) Limited   (d) Unlimited

2. Mutual funds are very popular in:

    (a) USA   (b) UK   (c) Japan   (d) India

3. Government securities are issued through _____ of RBI

    (a) Public debt office (b) SEBI   (c) DFHI   (d) Stock exchange

4. The maturity of treasury bill is:

    (a) 91 days   (b) 364 days   (c) Both a and b   (d) None of the above

5. The regulatory body for the securities market in India is:

    (a) RBI   (b) SEBI   (c) IRDA   (d) Stock exchanges

6. Commercial paper is a form of:

    (a) Capital market instrument   (b) Money market instrument

    (c) Both a and b   (d) None of the above

7. The market for long term funds _____

    (a) Money market   (b) Call money market

    (c) Capital market   (d) Treasury bill market

8. Depository participant is the link between the _____ and the owner.

    (a) Depository   (b) Government   (c) Corporate   (d) None of these

9. Listing is mandatory for _____

    (a) Trading in stock market   (b) Marketing a new issue

    (c) Trading in international markets   (d) Declaring dividend

10. Financial _____ are mainly used for hedging risk.

    (a) Investors   (b) Derivatives   (c) Speculators   (d) None of these

11. Agreed price of _____ contract is known as strike price.

   (a) Option   (b) Swap   (c) Future   (d) None of these

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. _____ is a barometer for market behaviour.

   (a) Investment   (b) Index   (c) Arbitrage   (d) None of these

14. The dominant currency of the Eurocurrency markets is:

   (a) U.S. dollar   (b) Euro   (c) Yen   (d) Pound

15. Another name for the spread in a Eurocurrency loan is:

   (a) Term   (b) LIBOR   (c) Margin   (d) Drawdown

(15 × 1/5 = 3 Weightage)

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

16. What is financial intermediation?

17. What are repurchase agreements?

18. What do you mean by Mutual funds?

19. Discuss various functions of capital market.

20. What do you mean by secondary market?

21. Write a note on the main participants in derivative markets.

22. Write a note on international bonds.

23. Write a note on Euro currency market.

(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. Explain the structure of Indian money market.

27. Examine the money market reforms in India since 1991.

28. Discuss the role of credit rating institutions in India.

29. Write a note on insider trading.

30. Write a note capital market reforms in India since 1991.

31. Explain the difference between hedging, speculation and arbitrage.

32. Explian different types of SWAP contracts in derivatives.

33. What do you mean by Foreign Currency Convertible bonds?

(7 × 2 = 14 Weightage)

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

34. Write an essay on the role of financial intermediaries for the growth and development of an economy.

35. What do you mean by money market? Explain in detail the major instruments of the money market.

36. Write an essay on the objectives, functions and powers of SEBI.

37. What are futures? What are the different types of futures?

(2 × 4 = 8 Weightage)

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