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Name.....09.....

Reg. No.....

FOURTH SEMESTER M.A. DEGREE EXAMINATION, JUNE 2015

(CUCSS)

Economics

ECO 4C 14 – FINANCIAL MARKETS

(2010 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all the questions.

Each bunch of four questions carries weightage of 1.

A. Multiple Choice :

1. The following one is a financial asset :
 - (a) Gold.
 - (b) Silver.
 - (c) Share.
 - (d) Land.
2. The Government Bond is a :
 - (a) Short-term securities.
 - (b) Long-term securities.
 - (c) Medium-term securities.
 - (d) Either short-term or Long-term securities.
3. The major player in the Indian money market is :
 - (a) Co-operative banks.
 - (b) Indigenous banks.
 - (c) Commercial banks.
 - (d) Reserve Bank of India.
4. Bills drawn and accepted payable after three months are called :
 - (a) Indigenous bills.
 - (b) Usance bills.
 - (c) Clear bills.
 - (d) Supply bills.
5. An order for the purchase of securities at a fixed price is known as :
 - (a) Limit order.
 - (b) Open order.
 - (c) Discretionary order.
 - (d) Stop loss order.

Turn over

6. Speculators who neither buy nor sell securities in the market, but still trade on these are called :

- (a) Wolves. (b) Stags.
(c) Lane Ducks. (d) Bears.

7. OTCEI is recognized by the :

- (a) SEBI. (b) Government of India.
(c) RBI. (d) State Government.

8. A document that either creates a debt or acknowledges it is known as a :

- (a) Share. (b) Bond.
(c) Debentures. (d) Cash.

B. Fill in the blanks :

9. The market for new issues is called _____.

10. The bill which does not require any acceptance is called _____.

11. Companies with paid up capital Between Rs. _____ and Rs. 25 crores can be enlisted on OTCEI.

12. The reservation of offer of issue made by a Public Company is known as _____.

C. State whether the following statements are True or False :

13. Companies can raise capital in a primary market only through right issue.

14. Many market supplies funds for financial working capital requires of industries.

15. OTC is mainly intended for big investors.

16. A forward contract is derivative of a spot contract.

(16 × ¼ = 4 weights)

Part B

Answer any ten questions.

Each question carries a weightage of 2.

17. Distinguish between a physical asset and a financial asset.

18. What is a money market?

19. What are the advantages of underwriting?

20. State the objectives of SEBI.

21. What do you mean by listing of securities?

22. Who is depository participant?

23. Explain the functions of SEBI.

24. What is inside trading?
25. State the objectives of NSE.
26. What is market making?
27. Write a short note on Zero interest convertible debentures.
28. What is Portfolio management?
29. What is mutual fund? Give an example.
30. What is meant by financial inclusion?

(10 × 2 = 20 weightage)

Part C

Answer any three questions.

Each question carries a weightage of 4.

31. Trace out the development of the financial system in India.
32. Discuss the various components of a money market and bring out their features.
33. Examine the recent trends in Primary market in India.
34. Critically examine the role of stock exchanges in the financial system of a country.
35. Analyze the financial sector reforms since 1991.

(3 × 4 = 12 weightage)