

MASTER OF COMMERCE
FIRST SEMESTER
FINANCIAL MARKETS AND INSTITUTIONS
MCM – 104 [IDM_n]

**SET
B**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 1.30 hrs.

Full Marks: 35

Time: 15 mins.

(Objective)

Marks: 10

Choose the correct answer from the following:

1×10=10

- Quantitative tool of the monetary policy of RBI includes:
 - Statutory Liquidity Ratio
 - Margin requirement
 - Moral suasion
 - Selective credit control
- Identify the private sector bank from the following:
 - Canara Bank
 - State Bank of India
 - AXIS Bank
 - UCO Bank
- How does a commercial bank create money?
 - By accepting deposits
 - Through investing
 - Through cash reserve ratio
 - By issuing loans
- Foreign exchange reserves in India is maintained by _____
 - State Bank of India
 - Reserve Bank of India
 - Ministry of Finance
 - SEBI
- Which among these is a standardized derivative instrument?
 - Spot contracts
 - Futures contracts
 - Forward contracts
 - Options contracts
- Which of these financial institutions are regulatory in nature?
 - RBI
 - IRDA
 - SEBI
 - All of the above
- _____ is the market for lending and borrowing of short term funds.
 - Primary market
 - Capital market
 - Money market
 - None of the above

8. Which of the following is not the objective of SEBI?
- a. To regulate the securities market
 - b. To protect the interests of investors
 - c. To promote individual businesses
 - d. To promote development of the securities market
9. Which of these is not a stock exchange of India?
- a. NSE
 - b. SENSEX
 - c. BSE
 - d. OTCEI
10. Which of the following is a central bank?
- a. Reserve Bank of India
 - b. Bank of England
 - c. Federal Reserve
 - d. All of the above

-- --- --

(Descriptive)

Time : 1 Hr. 15 Mins.

Marks : 25

[Answer question no.1 & any two (2) from the rest]

1. Distinguish between futures and forwards derivative instruments. 5
2. Elaborate the meaning of financial market. Highlight the key differences between money market and capital market. 4+6=10
3. What are primary and secondary markets? Describe the methods of raising funds from the primary market? 4+6=10
4. What is a central bank? State the important functions of a central bank. 3+7=10
5. What do you mean by commercial banks? Explain the role of commercial banks in the economic development of the country. 2+8=10

= = *** = =