

**MASTER OF COMMERCE  
SECOND SEMESTER [REPEAT]  
FINANCIAL MARKETS & INSTITUTIONS  
MCM – 205**

**SET  
A**

**[USE OMR SHEET FOR OBJECTIVE PART]**

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

**(Objective)**

Marks: 20

*Choose the correct answer from the following:*

*1 × 20 = 20*

1. The function of a financial system is \_\_\_\_\_
  - a. Financial growth
  - b. Establish a link between savers and investors
  - c. Market growth
  - d. None of the above.
2. NABARD was set up in the year \_\_\_\_\_
  - a. 1982
  - b. 1984
  - c. 1992
  - d. None of the above
3. Money market is a market for \_\_\_\_\_ funds
  - a. Long -term
  - b. Short-term
  - c. Both a and b
  - d. None of the above
4. Which one of the following is not related to Money Market?
  - a. Treasury Bills
  - b. Commercial Bills
  - c. Certificates of Deposit
  - d. Shares
5. Right share is issued to \_\_\_\_\_
  - a. Existing shareholder
  - b. liquidators
  - c. Debenture holder
  - d. All of the above
6. NSE was set up in the year
  - a. 1993
  - b. 1992
  - c. 1990
  - d. None of the above.
7. Commercial Bill is a type of \_\_\_\_\_.
  - a. Promissory Note
  - b. Cheque
  - c. Stamp
  - d. Bill of exchange
8. CRR & SLR rate is decided by
  - a. RBI
  - b. SBI
  - c. SEBI
  - d. None of the above.
9. The financial Market where debt and stocks are traded and maturity period is more than a year is classified as:
  - a. Shorter term Markets
  - b. Capital Markets
  - c. Counter Markets
  - d. Long-term Markets

10. The market in which new Securities are issued by the Corporations to raise funds are called:
- a. Primary Markets
  - b. Secondary Markets
  - c. Gross Markets
  - d. Proceeds Markets
11. CRR stands for
- a. Cash Reserve Ratio
  - b. Cash Reserve Requirement
  - c. Cheque Reserve Ratio
  - d. None of the above.
12. The concept of insurance involves a transfer of
- a. Risk
  - b. Liability
  - c. Ownership
  - d. None of the above
13. The Components of Capital Market are:
- a. Equity Market
  - b. Debt Market
  - c. Derivative Market
  - d. All of the above
14. Merchant bank is an organization that \_\_\_\_\_
- a. Underwrites securities for corporation
  - b. Involve in ownership of commercial venture
  - c. Both a and b
  - d. None of the above.
15. The account held by a foreign bank in a domestic bank is called \_\_\_\_\_ account
- a. LORO
  - b. VOSTRO
  - c. NOSTRO
  - d. None of the above
16. SEBI was primarily set up to:
- a. regulate the activities of the merchant banks
  - b. to control the operations of mutual funds
  - c. to work as a regulator of the stock exchange activities
  - d. all of the above
17. An Angel investor is also known as \_\_\_\_\_
- a. Debtor
  - b. Lender
  - c. Seed investor
  - d. None of the above
18. The headquarter of LIC is located at \_\_\_\_\_
- a. Kolkata
  - b. Mumbai
  - c. Delhi
  - d. None of the above
19. The Insurance Regulatory and Development Authority was constituted in the year \_\_\_\_\_
- a. 1998
  - b. 1999
  - c. 1990
  - d. None of the above
20. The principle of insurance is/are \_\_\_\_\_
- a. Utmost Good Faith
  - b. Principle of Contribution
  - c. Causa Proxima
  - d. All of the above

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**(Descriptive)**

Time : 2 Hr. 30 Mins.

Marks : 5

[ Answer question no.1 & any four (4) from the rest ]

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|---|--------|
| 1. Discuss the structure of Indian Financial System.                                      | 10     |
| 2. Write a short notes on: <i>(any three)</i>   | 5+5=10 |
| a) Factoring  |        |
| b) Vostro Account   |        |
| c) Nostro Account   |        |
| d) Merchant Banking   |        |
| 3. What is meant by NSE and mention the functions of NSE.                                 | 3+7=10 |
| 4. Define Money market. Describe the different types of Money market.                     | 2+8=10 |
| 5. What is meant by Credit Rating? Mention the functions of credit rating.                | 5+5=10 |
| 6. Discuss the concept of insurance and explain in brief about the contract of insurance. | 3+7=10 |
| 7. Explain about CRR and SLR.   | 5+5=10 |
| 8. What is lease financing and mention the importance of lease financing.                 | 3+7=10 |

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