

M. COM
THIRD SEMESTER
FINANCIAL MARKETS & INSTRUMENTS
MCM-301

Duration: 3 Hrs.

Marks: 70

PART : A (OBJECTIVE) = 20
PART : B (DESCRIPTIVE) = 50

[PART-B : Descriptive]

Duration: 2 Hrs. 40 Mins.

Marks: 50

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

1. "Financial Sector Reforms in India in 1991 was a key drive for the economic development in the country". Elaborate the statement. (10)
2. What do you mean by Financial System? Discuss the different functions of Financial System. (10)
3. Explain the Major Segments of Financial Markets highlighting their various constituents. (5+5=10)
4. Explain the various norms and guidelines laid down by SEBI regarding the Listing of Securities. (10)
5. What are the various functions performed by NSE and OTCEI? (5+5=10)
6. What do you mean by Financial Services? Explain the nature of financial Services. (2+8=10)
7. Name the various Credit Rating Agencies and what are their main functions. (5+5=10)
8. Write short notes on *any two* from the following: (5+5=10)
 - a) Bonus shares.
 - b) GDRs.
 - c) Functions of Merchant Bank.
 - d) Factoring Services.

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[PART-A : Objective]

Choose the correct answer from the following :

1×20=20

1. Narasimhan Committee was appointed for:
 - a) Insurance Sector Reforms
 - b) Railway Sector Reforms
 - c) Banking Sector Reforms
 - d) Telecom Sector Reforms
2. The Reserve Bank of India was established on _____.
 - a) April 1, 1935
 - b) August 12, 1959
 - c) July 1, 1935
 - d) September 30, 1949
3. GDR stands for:
 - a) Global Direct Reserve
 - b) Global Demand receipt
 - c) Global Depository receipt
 - d) Global Demand Revenue
4. The BSE Sensex consists of a basket of ____ stocks.
 - a) 50
 - b) 100
 - c) 30
 - d) 66
5. Exchange markets and over counter markets are considered as two types of:
 - a) floating market
 - b) risky market
 - c) secondary market
 - d) primary market
6. Treasury notes that provide returns tied to inflation rate are classified as:
 - a) clean price bonds
 - b) discount index bonds
 - c) premium index bonds
 - d) inflation index bonds
7. In primary markets, first time issued shares to be publicly traded in stock markets is considered as:
 - a) traded offering
 - b) public markets
 - c) issuance offering
 - d) initial public offering
8. Money 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
9. Type of structured market through which funds flow with help of financial instruments such as bonds and stocks is classified as:
 - a) financial markets
 - b) non-financial markets
 - c) funds market
 - d) flow market
10. Which financial body has asked intermediaries and companies to make regulatory payments in digital mode?
 - a) SEBI
 - b) RBI
 - c) NSE
 - d) BSE
11. SEBI has relaxed investment rules for which funds?
 - a) Angel Funds
 - b) Mutual Funds
 - c) Debt Funds
 - d) None of the above
12. Right of stockholders of firm that new shares must be offered to existing stockholders first rather than new stock holders is classified as:
 - a) non-offered rights
 - b) preemptive rights
 - c) existing rights
 - d) securitize rights
13. A merchant bank is a financial institution conducting money market activities and:
 - a) Lending
 - b) Underwriting and financial advice
 - c) Investment service
 - d) All of the above
14. Equity funding is preferable especially when the project is _____.
 - a) Fund intensive
 - b) Finance intensive
 - c) Capital intensive
 - d) Application intensive
15. It is a process by which a demand for the securities proposed to be issued by a body corporate is elicited:
 - a) Book building
 - b) Share certificate
 - c) Promoter issue
 - d) Circular
16. _____ is regarded as the fourth element of the financial system.
 - a) Financial services
 - b) Financial markets
 - c) Financial instruments
 - d) Financial institutions
17. CRISIL has been promoted by _____ and _____.
 - a) ICICI, UTI
 - b) IDBI, SBI
 - c) AXIS, UTI
 - d) PNB, SBI
18. Which of the following is not a fee-based financial service?
 - a) Corporate counseling
 - b) Lease financing
 - c) Profit management
 - d) Issue management
19. The first computerized online stock exchange in India was:
 - a) NSE
 - b) OTCEI
 - c) BSE
 - d) MCX
20. Functions of financial services exclude _____.
 - a) Mobilization of savings
 - b) Allocation of fund
 - c) Specialized services
 - d) Collection of tax