

MA ECONOMICS
THIRD SEMESTER
FINANCIAL ECONOMICS
MEC – 304B

**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

1. Capital Market Regulator is:
a. RBI
b. RDA
c. NSE
d. SEBI
2. 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
3. Which of the following is least risky?
a. Equity
b. Corporate Bonds
c. Treasury Bills
d. Certificate of Deposits
4. The components of Capital Market are:
a. Equity Market
b. Debt Market
c. Derivative Market
d. All the above
5. The exchange markets and over the counter markets are considered as two types of
a. Floating Market
b. Risky Market
c. Secondary Market
d. Primary Market
6. Which one of the following is the regulator of the money market?
a. Reserve Bank of India
b. Government of India
c. Telecom Regulatory of India
d. Insurance Authority
7. What is call Money?
a. It is an overnight loan in the Money market
b. It is loan above 1 day to 14 days in the money Market
c. It is loan of above 14 days to 364 days in the money market
d. It is an amount charged on ISD
8. Which of the following is not related with Money market?
a. Treasury Bills
b. Commercial Bills
c. Certificate of Deposit
d. Shares

9. Which of the following statement is true about commercial paper?

- A. It is traded in the money market
- B. It is a Promissory note.
- C. It was introduced.
- D. It is a secure instrument.

- a. Option A & B are correct
- c. Option A,B&C are correct

- b. Option C&D are correct
- d. All the options are correct.

10. Which of the following statement is true about Certificate of Deposits?

- A. It is secure instrument in comparison of commercial paper.
- B. It is a promissory note.
- C. It is traded in Capital Market.
- D. It was introduced in 1990

- a. Option C&D are false
- c. Option A,C & D are correct

- b. Option A & B are false
- d. All the options are correct

(Descriptive)

Time : 1 Hr. 15 Mins.

Marks : 25

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

- | | |
|--|--------|
| 1. Explain the various components of Indian Financial system. | 5 |
| 2. a) Explain Commercial paper (CP). | 5+5=10 |
| b) What are Treasury Bills and Call Money Market? | - |
| 3. a) Elaborate Mutual Fund and its function. | 5+5=10 |
| b) Write a note on Indian Money Market and its contribution to Indian Economy. | - |
| 4. a) What are the main functions of capital market | 5+5=10 |
| b) Explain the relationship between financial market and economic growth | - |
| 5. a) Explain the stock market and its operation. | 5+5=10 |
| b) Write a note on BSE. | - |

== *** ==