BACHELOR OF COMMERCE [HONS]
SECOND SEMESTER
INDIAN FINANCIAL SYSTEM
BCM - 202
[USE OMR SHEET FOR OBJECTIVE PART]

SET A

Duration: 3 hrs.

Full Marks: 70

Objective

Time: 30 mins.

Marks: 20

Choose the correct answer from the following: 1 ×20=20

1. ....is /are the function(s) of financial market.
   a. Liquidity
   b. Capital formation
   c. Risk diversification
   d. All of the above

2. SEBI Act was passed in the year................
   a. 1990
   b. 1989
   c. 1992
   d. None of the above

3. Which one of the following is not a type of financial institution?
   a. Manufacturing Company
   b. Commercial Bank
   c. Insurance Company
   d. None of the above

4. ....pools money from investors and invest it in a portfolio of stocks, bonds or other securities.
   a. Merchant Banking
   b. Mutual Fund
   c. Factoring
   d. All of the above

5. Merchant Banking primarily deals with................
   a. Mergers and Acquisitions
   b. Equity financing
   c. Debt financing
   d. None of the above

6. ....market deals with exchange of foreign currencies.
   a. Stock
   b. Primary
   c. Forex
   d. None of the above

7. Leasing involves................parties.
   a. Three
   b. Two
   c. Four
   d. None of the above

8. In................year BSE switched from an open-floor to an electronic trading system.
   a. 1996
   b. 1991
   c. 1995
   d. None of the above

9. SHG stands for................
   a. Self Help Group
   b. Stock Hedging Group
   c. Sustainable Help Group
   d. None of the above

10. The process of holding shares in electronic form is known as................
    a. Electronation
    b. Dematerialization
    c. Speculation
    d. None of the above

11. What is the usual maturity period of money market instruments?
    a. Less than 1 year
    b. Between 1-5 years
    c. More than 10 years
    d. None of the above

12. The Bombay Stock Exchange was established in the year................
    a. 1975
    b. 1875
    c. 1876
    d. None of the above

13. ....contract means a legally binding agreement to buy or sell the underlying security on a future date.
    a. Future
    b. Forward
    c. Derivatives
    d. None of the above

14. Which of the following is a characteristic of money market instrument?
    a. Long maturity period
    b. High risk
    c. High liquidity
    d. None of the above

15. LIC was established in the year................
    a. 1956
    b. 1946
    c. 1966
    d. None of the above

16. An intermediary agent who funds receivables is a................
    a. Factor
    b. Broker
    c. Hirer
    d. None of the above

17. Which of the following participants represent capital market?
    a. Commercial banks
    b. Stock Exchanges
    c. Development Banks
    d. All of the above

18. ....provides protection against financial losses resulting from unexpected events such as natural disasters, accidents etc.
    a. Insurance
    b. Merchant Banking
    c. Venture Capital
    d. None of the above

19. Auction market is a type of................market
    a. Capital
    b. Secondary
    c. Primary
    d. None of the above

20. A fresh issue or offer for sale of securities made by a listed company to the public is called................
    a. FPO
    b. IPO
    c. Both a and b
    d. None of the above

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(**Descriptive**)

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

1. Discuss the nature of financial system and the institutions working within it.   5+5=10

2. a) What is meant by money market?   3+7=10
   b) Mention the characteristics of money market.

3. State about Commercial Bank and the various functions of Commercial Bank   2+8=10

4. What is Treasury Bills? Explain different types of Treasury Bills.   2+8=10

5. What do you mean by financial services? Discuss the classification of various financial services.   3+7=10

6. What are derivatives? Narrate the different types of derivatives.   3+7=10

7. Write short notes on *any two:*   5+5=10
   a) FPO
   b) IPO
   c) OTCEI
   d) BSE

8. State the nature of mutual fund and also the benefits of investing in mutual fund.   3+7=10

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