

**MASTER OF COMMERCE
FIRST SEMESTER [REPEAT]
FINANCIAL MARKETS AND INSTITUTIONS
MCM - 104**

**SET
A**

[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. What is primary market?
 - a. A market where securities are issued for the first time
 - b. A market where securities are traded between investors
 - c. A market for only government bonds
 - d. A market for foreign exchange
2. Which of the following best describes the secondary market?
 - a. Market for new securities only
 - b. Market where securities are first issued
 - c. Market for trading existing securities
 - d. Market for issuing government bonds
3. Which of the following is an example of a capital market instrument?
 - a. Treasury Bills
 - b. Commercial Paper
 - c. Stocks
 - d. Certificate of Deposit
4. A company's initial public offering (IPO) takes place in which market?
 - a. Primary market
 - b. Secondary market
 - c. Derivatives market
 - d. Commodities market
5. Which of the following is NOT a characteristic of money market instrument?
 - a. High liquidity
 - b. Short- term maturities
 - c. Low return compared to capital markets
 - d. High credit risk
6. Treasury bills are issued by which institution?
 - a. Reserve Bank of India
 - b. Private corporations
 - c. Commercial banks
 - d. International Monetary Fund
7. What is the primary function of a commercial bank?
 - a. Issuing currency
 - b. Providing loans and accepting deposits
 - c. Facilitating international trade
 - d. Managing government funds
8. NABARD was established in which year?
 - a. 1975
 - b. 1990
 - c. 2000
 - d. 1982

9. Which of the following is NOT a major currency pair in forex trading?
- a. USD/INR
 - b. GBP/JPY
 - c. EUR/USD
 - d. AUD/CAD
10. Financial derivatives include:
- a. Stock
 - b. Bonds
 - c. Futures
 - d. None of the above

(Descriptive)

Time : 1 Hr. 15 Mins.

Marks : 25

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

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| 1. Distinguish between Capital Market and Money Market. | 5 |
| 2. Define financial market. Discuss the classification of financial markets in India. | 2+8=10 |
| 3. Explain the different types of Money market instruments. | 10 |
| 4. What is Eurobonds? Highlight the benefits of investing in Eurobonds. | 3+7=10 |
| 5. Write short notes on <i>any two</i> of the following: | 5×2=10 |
| a) Microfinance | |
| b) NABARD | |
| c) NBFCs | |

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