

Note: (1) Attempt all Questions**(2) Figure to the right indicates full marks****Q1. (A) Multiple Choice Questions (Any 8)****(8)**

- 1) The central banking functions in India are performed by the_____.
A) State Bank of India B) Reserve Bank of India C) Punjab National Bank
- 2) _____ is the most important type of deposit bank
A) Commercial Bank B) Co- Operative Bank C) Merchant Bank
- 3) Treasury bill was first issued in _____.
A)1917 B) 1919 C) 1948
- 4) _____ deals with short term claims with a maturity of less than one year.
A) Money Market B) Debt market C) Secondary Market
- 5) _____ is financial market for buying and selling debt securities.
A) Commodity Market B) Debt Market C) Derivatives Market
- 6) _____ controls the money market.
A) RBI B) SEBI C) SBI
- 7) Market for borrowing and lending of short term funds is called_____.
A) Money Market B) Capital Market C) Primary Market
- 8) _____ is the person who buys the right conveyed by the option.
A) Option holder B) Future C) swap
- 9) The _____ usually have the maturity period more than one year.
A) Commercial Paper B) Equities C) Promissory Note
- 10) _____ are plans are sponsored by most large companies.
A) ESOP B) DRIPS C) Bonus Share

Q1. (B) True or False (any 7)**(7)**

- 1) Stock is securities that are claim on the earning and assets of a corporation.
- 2) The settlement cycle is now T+ 1.
- 3) Financial Services are a part of financial system.
- 4) If person is a “bull”, then they expect price to rise.
- 5) Equities don't represent the ownership in a company.
- 6) Speculators wish to bet on future movements in the price of assets.
- 7) The merchant banking activity in India is governed by AMFI.
- 8) Money market deals with short term securities.
- 9) In India merchant bankers do not provide the service of loan syndication.
- 10) Financial Services are provided by finance industry.

- Q2. (A) Explain the function of Financial System. (8)
(B) Explain Inflation and types of Inflation. (7)
OR
(C) Explain in detail the various Constituents of Indian Financial System. (15)
- Q3. (A) Explain classification of Financial Market. (8)
(B) Elaborate Money Market and its instruments. (7)
OR
(C) Explain Primary Market in brief and its advantages and disadvantages. (15)
- Q4. (A) Explain Financial Instrument and its Characteristics. (8)
(B) Explain Derivative and types of derivative contract. (7)
OR
(C) Explain Classification of Financial Instrument in details. (15)
- Q5. (A) Explain the Mutual Funds and its Advantages. (8)
(B) Explain Credit Card & its process. (7)
OR
Q5. (C) **Write Short Notes (Any 3)** (15)
1. REPO Market
 2. Treasury Bill
 3. Debit Cards
 4. Venture Capital
 5. Loan Syndication
