

Duration: - 2 ½ Hrs.

Note: All questions are compulsory.

Figures to the right indicate maximum marks.

- Q.1 - A Rewrite the statement with the appropriate answer(Any 8) 08
- 1 The \_\_\_\_\_ is the most important type of deposit banks.
 

a) Regional Bank	d) Commercial Bank
c) Co-operative Bank	d) Reserve Bank of India
  - 2 Value of money \_\_\_\_\_ with the occurrence of interest.
 

a) Depreciates	b) Appreciates
c) Dividend	d) Bonus share
  - 3 Treasury Bills are \_\_\_\_\_ securities and pay no interest
 

a) Zero coupon	b) payment coupon
c) sign coupon	d) Leasing
  - 4 \_\_\_\_\_ is a financial market for buying and selling debt securities.
 

a) Commodity market	b) financial market
c) Debt market	d) Secondary market
  - 5 Equity derivatives are derivatives instruments with underlying assets based on \_\_\_\_\_
 

a) Equity Securities	b) Debt securities
c) Preference securities	d) Dividend
  - 6 \_\_\_\_\_ is the person who buys the rights conveyed by the option.
 

a) Option	b) Future
c) Payment	d) outdated
  - 7 \_\_\_\_\_ is a mutual fund having lock in period.
 

a) Open ended scheme	b) Debt scheme
c) Unfavourable	d) Closed ended scheme
  - 8 Saving is defined as \_\_\_\_\_ income minus personal consumption expenditure
 

a) promotion	b) Personal
c) Saving	d) Disposable
  - 9 In \_\_\_\_\_ resources are mobilised by companies through issue of new securities
 

a) primary market	b) financial market
c) secondary market	d) capital market
  - 10 Fixed return on bond is often termed as the \_\_\_\_\_
 

a) Debt	b) Dividend rates
c) Equity	d) Interest rates

Q.1	B	State whether the following statements are True or False( Any 7)	07
	1	Interest rate is also tool for controlling deflation.	
	2	The stock exchange is market for old securities.	
	3	Interest rate influences the level of investment in an economy.	
	4	Government bonds are backed by the state Government or Central Government.	
	5	Treasury Bills are short term money market instrument issued by the RBI	
	6	Financial system of any country consists of only one ingredient.	
	7	Provision of liquidity is not a function of financial services.	
	8	Financial services are a part of financial system.	
	9	In India merchant bankers do not provide the service of loan syndication.	
	10	SWAPS are private agreement between two parties to exchange cash flow in the future according to pre-arranged formula.	
Q.2	a)	Write the meaning and importance of financial services.	08
	b)	Explain the details of capital formation.	07
		OR	
	c)	Explain the meaning and feature of deregulated interest rates.	08
	d)	Difference between Credit card and Debit card.	07
Q.3	a)	What are the advantage and disadvantage of Debt market?	08
	b)	What are the different types of bonds?	07
		OR	
	c)	Explain Derivatives and characteristics of Derivatives	08
	d)	Distinguish between Futures v/s Forward	07
Q.4	a)	Explain the classification of Equity Derivatives	08
	b)	Explain the feature of consumer credit	07
		OR	
	c)	What is forwards contract? Explain its feature and limitation.	15
Q.5	a)	Explain the disadvantage of Consumer finance.	08
	b)	Explain the types of Mutual fund.	07
		OR	
Q.5		Write short note on ( Any three)	15
	1	Bond price	
	2	Mutual find	
	3	Capital market	
	4	Non-financial Instrument.	
	5	Saving	

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