

070522  
VCD CLASS: FYBIM SUBJECT: INTRODUCTION TO FINANCIAL  
MARKETS HOURS: 2 ½ MARKS: 75

Q1. Multiple Choice Questions. 40 marks

1. \_\_\_\_ are short term deposit instruments to raise large sums of money.
  - a) Treasury bills
  - b) Certificate of deposits
  - c) Commercial papers
  - d) Call money
2. \_\_\_\_ are unsecured short term promissory notes issued by the big companies.
  - a) Treasury bills
  - b) Certificate of deposit
  - c) Commercial papers
  - d) Call money
3. \_\_\_\_ is the most important constituent of the money market.
  - a) SEBI
  - b) RBI
  - c) ICICI
  - d) UTI.
4. \_\_\_\_ was set up as a money market institution jointly by RBI, public sector banks, and financial institutions.
  - a) Discount and finance house of India
  - b) SEBI
  - c) UTI
  - d) AMFI
5. \_\_\_\_ is the capital market regulator.
  - a) SEBI
  - b) RBI
  - c) UTI
  - d) NSE
6. G-secs are issued by \_\_\_\_ to raise money
  - a) ICICI
  - b) SEBI
  - c) NSE
  - d) Government of India
7. Full form of IPO \_\_\_\_
  - a) Initial Public Offer
  - b) India Public offer

- c) Indian private offer
- d) Initial People offer

8. \_\_\_\_ undertake guarantee to take agreed number of shares if the issue is not subscribed by the public.

- a) Underwriters
- b) Bankers
- c) Engineers
- d) Contractors

9. Floor price and ceiling price is fixed in case of \_\_\_\_

- a) Book building method
- b) Fixed price method
- c) Retail price method
- d) Wholesale price method

10. \_\_\_\_ is also called as Capitalisation of reserves.

- a) Rights issue
- b) Bonus issue
- c) Sweat equity issue
- d) Discount issue

11. \_\_\_\_ is a money market instrument.

- a) Equity shares
- b) Preference shares
- c) Bonds
- d) Commercial papers

12. \_\_\_\_ is a capital Market instrument.

- a) Commercial papers
- b) Treasury bills
- c) Call money
- d) Equity shares

13. \_\_\_\_ is a money market instrument

- a) Treasury bills
- b) Equity shares
- c) Debentures
- d) Preference shares

14. \_\_\_\_ is a capital market instrument.

- a) Debentures
- b) Treasury bills
- c) Commercial papers
- d) Certificate of deposits

15. \_\_\_\_\_ is an amount borrowed or lent on demand for a very short period.
- Call money
  - Phone money
  - Take money
  - Mobile money
16. \_\_\_\_\_ are unsecured short term promissory notes issued by reputed and big companies.
- Commercial papers
  - Call money
  - Treasury bills
  - Commercial deposits.
17. \_\_\_\_\_ is the function of the financial system.
- Savings function
  - Nationalization of financial institutions
  - Establishment of development banks
  - Intermediary control.
18. NCDEX headquarters are located in \_\_\_\_\_.
- Mumbai
  - Delhi
  - Bangalore
  - Chennai
19. \_\_\_\_\_ is India's first Commodity Exchange.
- MCX
  - NMCE
  - NCDEX
  - ACX
20. \_\_\_\_\_ is a security whose price is dependent upon or derived from one or more underlying assets.
- Gold
  - Silver
  - Derivatives
  - Bonds

**Q2. Theory Questions (Any 1). 7 marks**

1. Explain meaning and features of Capital Market.
2. Explain Capital Market Instruments.
3. Distinguish between Primary Market & Secondary Market.

**Q3. Theory Questions (Any 1). 7 marks**

1. State briefly the role of Money Market.
2. Distinguish between Capital Market & Money Market.



3. Explain in detail Money Market Instruments.

Q4. Theory Questions (Any 1). 7 marks

1. Explain the advantages and disadvantages of Foreign Exchange Market.
2. Explain briefly the Forward Market Commission.
3. Explain Derivatives with its features and needs.

Q5. Theory Questions (Any 1). 7 marks

1. Explain powers of SEBI.
2. Explain Types of members in stock exchange.
3. What is Stock exchange? Explain its features.

Q6. Short notes (Any 2). 7 marks

1. MCX.
2. Participants of Primary Market.
3. BSE
4. NMCE
5. Right issue

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