

Q.P. Code :22443

[Time: 2:30 Hours]

[ Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. Attempt all questions.
  2. Figure to the right indicate full marks.

**Q.1** A) Fill in the blanks. (**Attempt any 8**)

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- 1) The ----- is the most important type of deposit banks.
  - a) Commercial Bank
  - b) Co-operative Bank
- 2) Value of money ----- with the occurrence of interest.
  - a) Depreciates
  - b) Appreciates
- 3) ----- is a financial market for buying and selling debt securities.
  - a) Commodity market
  - b) Debt market
- 4) Treasury Bills are ----- securities and pay no interest.
  - a) Zero coupon
  - b) Payment coupon
- 5) Equity derivatives are derivative instruments with underlying assets based on ----- .
  - a) Equity securities
  - b) Preference securities
- 6) ----- is the person who buys the right conveyed by the option.
  - a) Option Holder
  - b) Future
- 7) A ----- is an investment vehicle that allows resources in order to purchases stocks, bonds and other securities.
  - a) Mutual funds
  - b) Derivation
- 8) The financial service can also be called ----- .
  - a) Financial intermediations
  - b) Financial derivatives
- 9) In ----- Resources are mobilized by companies through issue of new securities.
  - a) Primary Market
  - b) Secondary Market
- 10) Fixed return on bond is often termed as the ----- .
  - a) Interest rates
  - b) Dividend rates

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- B) State whether the following statements are true or false (**Attempt any 7**) **07**
- 1) Investments is what helps you meet your shorter term needs and medium financial goals.
  - 2) Stagflation is the rate where costs rise due to economic trends of spending products and services.
  - 3) The debt market in India comprises of many categories.
  - 4) New market is a market where firms go to the public for the first time through Initial Public Offering (IPO)
  - 5) Hedger don't face risk associated with the price of an asset.
  - 6) Equities don't represent the ownership in a company.
  - 7) Credit cards are prepared cards.
  - 8) In India, Merchant Bankers do not provide the services of loan syndication.
  - 9) Speculators wish to bet on future movements in the price of an assets.
  - 10) DIIPP stands for Department of Industrial Promotion and Procurement.

**Q.2** Answer **any one** of the following. **15**

A) What is inflation and its causes?

**OR**

B) Explain an overview of Indian Financial System with reference to savings and investment in India.

**Q.3** Answer **any one** of the following. **15**

A) Explain securities market in detail. What are the functions of securities market?

**OR**

B) Explain meaning of Bond market and explain the structure of Indian Bond Markets in detail.

**Q.4** Answer **any one** of the following. **15**

A) Explain classification of financial instruments in detail.

**OR**

B) What is Derivative market? What are the benefits of derivative markets with reference to India?

**Q.5** Answer **any one** of the following : **15**

A) 1) What is financial services? Explain its features and importance.

2) Explain in detail about progress and scope of merchant banking in India.

**OR**

B) Write short notes (**Any 3**)

- 1) Factors affecting selection of mutual funds
- 2) Services of merchant Banks
- 3) Limitations of mutual funds
- 4) Problems of Merchant Bank
- 5) E - Wallets