

**NOTE :- ALL QUESTIONS ARE COMPULSORY.**

Q.1.A) Multiple Choice Questions. ( Any 8)

(08)

- i) \_\_\_\_\_ is considered as one of the important drivers of growth in the economy.  
a) Political System                      b) Financial System
- 2) The \_\_\_\_\_ is the most important type of deposit banks.  
a) Commercial Banks                      b) EXIM Banks
- 3) \_\_\_\_\_ facilitates buying and selling of financial assets , claims and services.  
a) Capital Markets                      b) Financial Markets
- 4) Low credit quality bonds are commonly referred to as \_\_\_\_\_.  
a) High Yield Bonds                      b) Junk Bonds
- 5) Bonds are \_\_\_\_\_ instruments which are issued for the purpose of raising capital.  
a) Fixed Income                      b) Floating Income
- 6) \_\_\_\_\_ is the price at which contract is settled.  
a) Physical Price                      b) Exercise Price
- 7) \_\_\_\_\_ are in business to take advantage of a discrepancy between prices in two different markets.  
a) Speculators                      b) Arbitrageurs
- 8) In \_\_\_\_\_ resources are mobilized by companies through issue of new securities.  
a) Primary Market                      b) Secondary Market
- 9) The financial services can also be called as \_\_\_\_\_.  
a) Financial Derivatives                      b) Financial Intermediaries
- 10) Treasury bills are \_\_\_\_\_ securities and pay no interest.  
a) Zero Coupon                      b) Payment Coupon

Q.1.B) State whether the following statements are True or False. (Any 7)

- 1) DIPP stands for department of industrial promotions and procurement.

- 2) The stock exchange is a market for old securities.
- 3) Financial services is a part of financial system.
- 4) Interest rate is tool for controlling inflation.
- 5) Debt Market in India comprises of many categories.
- 6) Credit cards are prepaid cards.
- 7) Provision of liquidity is a function of financial services.
- 8) In India Merchant bankers do not provide the services of loan syndication.
- 9) SDR's are treated as the IMF liability.
- 10) Speculators wish to be on future movements in the price of an asset.

Q.2.A) Explain the functions of financial system in India. (08)

Q.2.B) Explain Savings and Investment. (07)

OR

Q.2.A) What is inflation ? What are the types of inflation. (08)

Q.2.B) What are the effects of inflation ? (07)

Q.3.A) Explain the needs and importance of capital market. (08)

Q.3.B) Explain the new issue market and its functions. (07)

OR

Q.3.A) Explain on detail different types of financial instruments. (08)

Q.3.B) Who are the participants in derivative market functions ? (07)

Q.4.A) Explain the advantages of mutual funds for investors. (08)

Q.4.B) What are the factors which influence the selection of mutual funds. (07)

OR

Q.4.A) State the differences between futures and forwards. (08)

Q.4.B) Explain the merits of credit cards. (07)

Q.5) Short Notes (Any 3) (15)

1) 'E- Wallets'.

2) Banking Financial Intermediaries.

3) Causes of Inflation.

4) Equities.

5) Primary Market