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(Pages : 4)

Name.....

Reg. No.....

FOURTH SEMESTER M.A. DEGREE EXAMINATION, JUNE 2017

(CUCSS)

Economics

ECO 4C 14—FINANCIAL MARKETS

(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

*Answer all the following questions.
Each question carries $\frac{1}{4}$ weightage.*

1. Minimum amount of investment in CPs is :
(A) Rs. 5 Lakhs. (B) Rs. 25 Lakhs.
(C) Rs. 1 Lakh. (D) There is no Minimum Limit.
2. Reserve Bank of India Act was passed in :
(A) 1934. (B) 1935.
(C) 1921. (D) 1949.
3. Draft offer document is submitted to the _____.
(A) SEBI. (B) Registrar of Companies.
(C) Stock Exchange. (D) Merchant Banker.
4. The BSE SENSEX is _____ weighted index.
(A) Price Weighted. (B) Value Weighted.
(C) Equal Weighted. (D) None of the above.
5. Carry forward was permitted in :
(A) A Group Shares. (B) B Group Shares.
(C) S Group Shares. (D) T Group Shares.

Turn over

6. Securities Contract Regulation Act was passed in :
- (A) 1888. (B) 1948.
(C) 1956. (D) 1972.
7. Major reason for the decline of Regional Stock Exchanges :
- (A) Advent of Online Trading in NSE and BSE.
(B) Introduction of Uniform Rolling Settlement.
(C) Abolition of Regional Listing.
(D) All of the above.
8. The largest stock exchange in the world in terms of number of listed companies :
- (A) NYSE. (B) LSE.
(C) BSE. (D) NSE.
9. Standardized futures contracts exist for all of the following underlying assets *except* :
- (A) Treasury Bonds. (B) Common Stocks.
(C) Stock Indexes. (D) Gold.
10. Stock markets in which already issued stocks are resold and re-bought are classified as :
- (A) Red Herring Stock Market.
(B) Pre-emptive Stock Market.
(C) Silence Stock Market.
(D) Secondary Stock Markets.
11. A stockbroker means a member of _____.
- (A) SEBI. (B) Any Exchange.
(C) A Recognized Stock Exchange. (D) Any Stock Exchange.
12. From the following which one is not a speculator ?
- (A) Bulls. (B) Lame Duck.
(C) Stags. (D) Client.

Part B

*Answer any **five** questions.
Each question carries 1 weightage.*

13. What do you mean by reverse repo rate ?
14. What is New Issue Market ?
15. Explain IPO ?
16. Explain the types of speculators.
17. What do you mean by forward contracts ?
18. What is "Green Shoe" option ?
19. What is wash sale ?
20. Explain DEMAT ?

(5 × 1 = 5 weightage)

Part C

*Answer any **eight** questions.
Each question carries 2 weightage.*

21. Explain the features of financial system.
22. What are the various instruments of Indian Money Market ?
23. Differentiate between Money Market and Capital Market.
24. Differentiate between NBFC and bank.
25. What is Treasury Bill ?
26. When index futures are suitable for hedging ? What is its imperfection in hedging with index futures ?
27. Explain the features of ADR.
28. Explain about the Multi Commodity Exchange of India.
29. Distinguish between investment and speculation.
30. What is on-line trading ? Give the advantages of on-line trading.
31. Discuss the role of merchant bankers in a public issue.

(8 × 2 = 16 weightage)

Turn over

Part D

*Answer any three questions.
Each question carries 4 weightage.*

32. Briefly explain the speculative transactions in the stock exchange.
33. Explain the important components of Indian financial system.
34. Describe the various functions of SEBI.
35. Describe about stock market indices. Explain the advantages of stock market indices.
36. Explain the major developments in the Indian capital market in the recent past.

(3 × 4 = 12 weightage)