

**C 60003–A**

(Pages : 4)

Name.....

Reg. No.....

**SIXTH SEMESTER B.Com. DEGREE EXAMINATION, MARCH 2019**

(CUCBCSS)

B.Com.

BCM 6B 14—FINANCIAL MARKET AND SERVICES

(Finance Specialisation)

(Multiple Choice Questions for SDE Candidates)

**Time : 15 Minutes**

**Total No. of Questions : 20**

**Maximum : 20 Marks**

**INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

## BCM 6B 14—FINANCIAL MARKET AND SERVICES

(Finance Specialisation)

(Multiple Choice Questions for SDE Candidates)

1. \_\_\_\_\_ is a set of complex or closely connected or intermixed institutions, agents, practices, markets claims etc. In an economy.  
(A) Financial intermediary. (B) Financial company.  
(C) Financial system. (D) None of these.
2. Bonds that are denominated in a currency other than that of the country in which they are issued :  
(A) Drop lock bond. (B) Euro bond.  
(C) Straight debt bond. (D) Convertible bond.
3. \_\_\_\_\_ is a dollar denominated form of equity ownership.  
(A) ADR. (B) GDR.  
(C) SDR. (D) USD.
4. The apex authority of insurance industry :  
(A) IBRD. (B) IRDA.  
(C) RBI. (D) LIC.
5. NASDAQ is :  
(A) An American stock exchange. (B) An Australian stock exchange.  
(C) An Indian stock exchange. (D) Not a stock exchange.
6. Group of speculators buy the securities and they will buy and sell securities themselves to push up the prices id termed as :  
(A) Price rigging. (B) Insider trading.  
(C) Fair dealing. (D) Price speculation.
7. \_\_\_\_\_ is a receipt for a deposit of money with a bank or a financial institution.  
(A) CD'S. (B) CP'S.  
(C) TB'S. (D) PC'S.

8. \_\_\_\_\_ are instrument of short term borrowing by the government of India, issued as promissory notes under discount.
- (A) CD'S. (B) CP'S.  
(C) TB'S. (D) PC'S.
9. Failure of the opposite party to deliver the promised security :
- (A) Interest rate risk. (B) Default risk.  
(C) Counter party risk. (D) Price risk.
10. Securities and exchange board of India issue and listing of debt securities amendment regulations act was passed in :
- (A) 2012. (B) 2013.  
(C) 2014. (D) 2015.
11. Percentage rate of return paid on a stock in the form of dividends is called :
- (A) Profit. (B) Yield.  
(C) Reserve. (D) Premium.
12. Income tax act was enacted in :
- (A) 1861. (B) 1961.  
(C) 1971. (D) 1981.
13. IBRD is also known as :
- (A) Reserve bank. (B) Scheduled bank.  
(C) Central bank. (D) World bank.
14. The main purpose of \_\_\_\_\_ was to prevent and cure the problems of industrial sickness.
- (A) IDBI. (B) IRBI.  
(C) IRCI. (D) IIBI.

**Turn over**

15. NHB (National Housing Bank) established under the recommendation of the committee headed by :
- (A) Dr. Raguram Rajan. (B) Dr. Narasimha Rao.  
(C) Dr. Ranga Rajan. (D) D. Subbarao.
16. All SFC'S is depends upon the rules and regulations of :
- (A) State Government. (B) WTO.  
(C) IDBI. (D) Central Government.
17. The SFC act is applicable to all *except* :
- (A) Sikkim. (B) Punjab.  
(C) Haryana. (D) None of these.
18. ——— was incorporated under SFC act 1951.
- (A) KFC. (B) SFC.  
(C) IDFC. (D) UTI.
19. The head quarters of KFC is situated at :
- (A) Malappuram. (B) Calicut.  
(C) Thiruvananthapuram. (D) Ernakulum.
20. Advantages of mutual funds include :
- (A) Liquidity. (B) Safety.  
(C) The diversification penalty. (D) (A) and (B).

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BCM 6B 14—FINANCIAL MARKET AND SERVICES

(Finance Specialisation)

Time : Three Hours

Maximum : 80 Marks

**Part A**

*Answer all questions.*

*Each question carries 1 mark.*

A. Choose the correct answer :

- 1 ——— refers to the cash which banks have to maintain with the RBI as a certain percentage of their demand and time liabilities.  
(a) SLR. (c) CRR.  
(b) Bank rate. (d) None of the above.
- 2 ——— regulates the Indian capital market.  
(a) SEBI. (c) SCRA.  
(b) CICA. (d) All the above.
- 3 CDs are ——— instruments issued by banks and financial institutions to raise large amount of money.  
(a) Long term. (c) Medium term.  
(b) Short term. (d) None of these.
- 4 The factor under the factoring acts as ———.  
(a) A trustee. (c) A holder for value.  
(b) An administrator. (d) An Agent.
- 5 ——— is a process of creating an artificial condition in the market to enhance the price of certain securities.  
(a) Cornering. (c) Option.  
(b) Wash sales. (d) Rigging.

**Turn over**

B. Fill in the blanks :

- 6 \_\_\_\_\_ are also known as 'half commissioned men'.
- 7 \_\_\_\_\_ allows the customer to spend only up to the balance standing in his account.
- 8 \_\_\_\_\_ is the document which lay down the obligations and conditions of stock exchange and the company to protect the interest of the investing public.
- 9 MMMFs stands for \_\_\_\_\_.
- 10 \_\_\_\_\_ is a person not being a member of a stock exchange who acts on behalf of a stock broker as an agent.

(10 × 1 = 10 marks)

**Part B (Short Answer Questions)**

*Answer any **eight** questions.*

*Each question carries 2 marks.*

- 11 What is meant by Moral suasion ?
- 12 What do you mean by call money market ?
- 13 Who is a Budliwala ?
- 14 What do you mean by Repo ?
- 15 Who are stock brokers ?
- 16 What is meant by Bonus Shares ?
- 17 What is recourse factoring ?
- 18 What is meant by Primary Market ?
- 19 What is meant by Depository Participants ?
- 20 What is rematerialization ?

(8 × 2 = 16 marks)

**Part C (Short Essay Questions)**

*Answer any **six** questions.*

*Each question carries 4 marks.*

- 21 What are the weaknesses of the Indian Financial System ?
- 22 What are the features of money market ?

- 23 Differentiate Capital Market and Money Market.
- 24 What are the functions of Insurance ?
- 25 What are the advantages of listing of securities ?
- 26 Explain the benefits of underwriting ?
- 27 What are the objectives of depositories ?
- 28 What are the different types of preference shares ?

(6 × 4 = 24 marks)

**Part D (Essay Questions)**

*Answer any **two** questions.*

*Each question carries 15 marks.*

- 29 "A well defined money market plays a key role for the development of financial system of a country". Comment.
- 30 What is stock exchange ? What are the features and functions of stock exchanges ?
- 31 What do you mean by new issue market ? Explain its functions and methods of floating new issues.

(2 × 15 = 30 marks)