

Time: 2½ hrs.

- Note:
1. All questions are compulsory with internal options.
 2. Figures to the right indicate full marks.
 3. Draw a neat diagram wherever necessary.



Marks:75

Q. 1 (A) Fill in the blanks with the correct answer from the alternatives given below. (Attempt any 8) (08)

- (1) Market for borrowing and lending of short-term funds is called _____.
(Capital Market, Money Market, Gilt-edged Market, Derivative Market)
- (2) _____ is a financial intermediary who helps to mobilize and transfer capital from those who possess it to those who need it.
(Lease Financer, Venture Capitalist, Merchant Banker, Hire Purchaser)
- (3) _____ is a product whose value is derived from the value of one or more underlying assets.
(Debenture, Equity, Insurance, Derivative)
- (4) _____ capital is raised by issue of shares and ploughing back of profits.
(Owned Capital, Fixed Capital, Borrowed Capital, Floating Capital)
- (5) _____ are money market instruments issued by the Government of India for 91 days, 182 days and 364 days.
(Commercial Bills, Money Bills, Call Money, Treasury Bills)
- (6) Which of the following is an example of a non-banking financial institution?
(LIC, Commercial Bank, Co-operative Bank, RBI)
- (7) Custodial service is _____ based financial service.
(Liquid, fund, capital, non-fund)
- (8) _____ means to protect ourselves from any kind of price fluctuations.
(Arbitrage, Speculation, Hedging, Liability)
- (9) Venture Capital is also known as _____.
(Real capital, Risk capital, Working capital, Safe capital)
- (10) Liquidity is _____ in forward contracts.
(Medium, high, low, very high)

(B) State whether the following statements are true or false. (Attempt any 7) (07)

- (1) Fund based and fee based are types of financial services.
- (2) The organized sector is largely made up of moneylenders and indigenous bankers.
- (3) Issuing shares in the primary market is mandatory before listing on the stock exchange.
- (4) The interests (coupons) on corporate bonds are taxable.
- (5) Equities don't represent the ownership of the company.
- (6) When viewed from the perspective of the buyer, the transaction is called Reverse REPO.
- (7) Money markets do not have a specific location.
- (8) Secondary market is also known as the New-issue market.
- (9) Hybrid funds are a mix of both equity and debt.
- (10) Financial services are tangible in nature.

- Q.2** Discuss various financial intermediaries. (15)
OR
- Q.2** What are the functions of the financial system? (07)
Describe the various Non-Fund/Fee based financial services. (08)
- Q.3** What is the meaning of Financial Markets? Give a detailed classification of financial markets. (15)
OR
- Q.3** What is a capital market? What is the role/function of the capital market? (07)
Distinguish between Primary and Secondary Markets. (08)
- Q.4** What are derivatives? Explain the types of derivative contracts. (15)
OR
- Q.4** Explain the various sources of capital in an organization. (07)
Explain the classification of financial instruments. (08)
- Q.5** What are financial services? Explain its features and importance. (15)
OR
- Q.5** Write short notes on (Attempt any 3) (15)
- (1) SEBI
 - (2) DRIPS
 - (3) Credit Cards
 - (4) Commercial paper
 - (5) Debt Market

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