D4AEC2202	(3 Pages)	Name
		Reg.No

FOURTH SEMESTER M.A. DEGREE EXAMINATION, APRIL 2024 (Regular/Improvement/Supplementary)

FCONOMICS

FECO4C13 - FINANCIAL MARKETS			
Time: 3 Hours	Maximum Weightage: 30		
Part A: Multiple choice questions.	Answer <i>all</i> questions. Each carries $^{1}/_{5}$ weightage.		
1. Stock exchange is known as	market for securities.		
a) Primary market	b) Secondary market		
c) Capital market	d) None of the above		
2. It acts like a bank and keeps securi	ities in electronic form on behalf of the investor,		
a) Depository Participant	b) Depository		
c) Stock exchange	d) None of the above		
3. The regulatory body for the securi	ties market in India is;		
a) Stock exchanges	b) IRDA		
c) RBI	d) SEBI		
4. Which one is the least risky one?			
a) Bonds	b) Shares		
c) Treasury Bills	d) Preference share		
5. Which is a full service credit rating enterprises?	g agency exclusively set up for micro, small and medium		
a) SMERA	b) ICRA		
c) ONICRA	d) CRISIL		
6. The Securities and Exchange Boar	d of India was constituted on		
a) 10th July 1991	b)11th October 1989		
b) 12th April 1988	,		
7 are used by the clients of stock market.	of FIIs who do not wish to participate directly in the Indian		
a) P- Notes	b) Margin trading		
c) Short sales	d) None of the above		

8.	is a dollar denominated for	orm of equity ownership;
	a) ADR	b) GDR
	c) SDR	d) USD
9.	Methods of floating capital from th	e primary markets are;
	a) IPO	b) Public issue
	c) New fund offer	d) All the above
10.	The advantage of forward contract	over future contract is that:
	a) they are standardized	b) they have fewer default risk
	c) they are more flexible	d) None of the above.
11.	Speculators who neither buy nor se called:	ll securities in the market, but still trade on these are
	a) Wolves	b) Stags
	c) Lame Ducks	d) Bears
12.	An option that can be exercised at a	any time up to maturity is called:
	a) Swap	b) Stock options
	c) European options	d) American option
	A is a debt instrument the currency of the country or market in	at's denominated in a currency other than the home which it is issued.
	a) Eurobond	b) P- Notes
	c) Swap	d) All the above
14.	Bonds, bearer debenture and gover	nment securities are all examples of:
	a) Non marketable assets	b) Marketable assets
	c) Primary assets	d) Secondary assets.
15.	shareholder – owned company	ch any member –owned organization becomes a
	a) Recapitalization	•
	c) Dematerialization	d) Decapitalisation
		$(15 \times \frac{1}{5} = 3 \text{ weightage})$
Pa	rt B: Answer any <i>five</i> questions. E	U

16. Define Foreign Currency Convertible Bonds.

17. What do you mean by financial inclusion?

18. Give a short note on interbank market.

19. What is Participatory notes?

- 20. List out participants in the derivative markets.
- 21. Explain IPO.
- 22. Mention the features of financial system.
- 23. Distinguish between primary and secondary market.

 $(5 \times 1 = 5 \text{ weightage})$

Part C: Answer any seven questions. Each carries two weightage.

- 24. What are the features of a developed money market?
- 25. Write a note on different types of futures.
- 26. Describe the functions of Depositories.
- 27. List out the main Instruments of the primary market.
- 28. Explain the features of ADR.
- 29. What are the advantages of online trading in stock markets.
- 30. Write a note on Treasury bill market.
- 31. Explain the role of financial intermediaries.
- 32. Write a note on Global Depository Receipts.
- 33. Elaborate on insider trading.

 $(7 \times 2 = 14 \text{ weightage})$

Part D: Answer any two questions. Each carries four weightage.

- 34. Explain the growth, features and effects of eurocurrency market.
- 35. Give a detailed account on the functions and types of financial markets.
- 36. Discuss major developments in Indian money market after 1991 reforms.
- 37. Discuss the different types of derivatives along with their features.

 $(2 \times 4 = 8 \text{ weightage})$