



K18U 1703

Reg. No. :

Name :

V Semester B.A. Degree (CCSS-Supplementary) Examination, November 2018
(2012 and '13 Admissions)

CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
5B08ECO : Economics of Financial Markets

Time : 3 Hours

Max. Weightage : 30

Instruction : Answer may be written either in **English** or in **Malayalam**.

PART - A

Objective type questions. Answer the following objective type questions
(group weightage is 1).

1. Which of the following is termed as gilt edged securities ?

- | | |
|--------------|--------------------------|
| a) Bond | b) Gold |
| c) Debenture | d) Government securities |

2. Money Market is a market for _____ fund.

- | | |
|---------------|-------------------|
| a) Short term | b) Long term |
| c) Mid term | d) Both a) and b) |

3. Regulator of Indian Capital Market is

- | | | | |
|---------|--------|--------|-----------|
| a) SEBI | b) RBI | c) SBI | d) NABARD |
|---------|--------|--------|-----------|

4. IMF was established in

- | | | | |
|---------|---------|---------|---------|
| a) 1935 | b) 1945 | c) 1947 | d) 1951 |
|---------|---------|---------|---------|

(Weightage1)

5. ADR stands for

- | |
|--------------------------------|
| a) Americal Depository Receipt |
| b) Additional Deposit Ratio |
| c) Additional Divident Ratio |
| d) None of the above |

P.T.O.



6. Which of the following is a financial derivative ?
 a) Share b) Bond c) Cheque d) Future
7. SEBI has to be responsive to the needs of
 a) Investors b) The issuer of securities
 c) The market intermediaries d) All the above
8. Stock market is a
 a) Primary market b) Secondary market
 c) Derivative market d) None of the above
- (Weightage 1)**

PART – B

Short answer question. Answer **any ten** questions of the following not exceeding **50 words each**. **Each** question carries **1** weightage.

9. Define Put option.
 10. What is commercial paper ?
 11. Define Eurobond.
 12. What do you mean by financial market ?
 13. Define CRR.
 14. Define Dematerialisation.
 15. Define Capital market.
 16. Define NSE.
 17. Distinguish between future and forward.
 18. Define call money market.
 19. What is insider trading ?
 20. What is underwriting ?
- (Weightage 1×10=10)**

PART – C

Short essay : Answer **any five** questions **not** exceeding **150 words each**.
Each question carries **2** Weightage.

21. Explain the role and functions of IBRD.
22. Distinguish between ADR and GDR.
23. List out the difference between primary and secondary market.



- 24. Explain the role of SEBI in Capital Market.
- 25. What are the advantages of Dematerialization ?
- 26. Explain the features of Treasury bill market.
- 27. Explain the role of financial system in the economic development of a Country. **(Weightage 2x5=10)**

PART – D

Long Essay : Answer **any two** questions **not** exceeding **450** words **each**.
Each question carries **4** weightage.

- 28. Explain in detail the structure and functions of financial system.
- 29. What is money market ? Explain major instruments of money market.
- 30. What do you mean by financial derivatives ? What are different types of derivatives ?
- 31. Explain the role and functions of IMF. **(Weightage 4x2=8)**