



M 26023

Reg. No. : .....

Name : .....

**Third Semester M.A./M.Sc./M.Com. Degree (Reg./Sup./Imp.)**

**Examination, November 2014**

**DEVELOPMENT ECONOMICS**

**(2008 Admn. Onwards)**

**Paper – XI - Optional Financial Markets**

Time : 3 Hours

Max. Marks : 80

**PART – A**

Answer **all** questions. **Each** question carries **one** mark. Choose the most appropriate answer from the following :

1. Total number of Banks nationalised in India is
  - a) 27
  - b) 28
  - c) 30
  - d) 32
2. The Governor of the RBI at present is
  - a) Raghuram Rajan
  - b) D. Subbaro
  - c) C. Rangarajan
  - d) Ashwini Muppasami
3. Bill of exchange is
  - a) The financial instrument which is traded in the bill market
  - b) It is used for financing a transaction in goods that takes sometime to complete
  - c) It is a self liquidating paper
  - d) All the above
4. Bond is a
  - a) Creditorship security
  - b) Ownership security
  - c) Deferred share
  - d) None of the above
5. The primary market is
  - a) A market for new issues
  - b) A market where existing securities are traded
  - c) A market for outstanding securities
  - d) None of the above

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6. Badla
- a) is also known as carry forward system
  - b) acted as a bridge between the money market and the stock market
  - c) acted as a risk-hedging instrument
  - d) all the above
7. Bullish means
- a) The investor anticipates a price rise
  - b) The investor anticipates a price decline
  - c) Both a) and b) together
  - d) None of the above
8. The most liquid financial market instrument is
- a) Call money
  - b) Commercial paper
  - c) Bill of exchange
  - d) None of the above
9. The major indices of BSE are
- a) Sensex
  - b) BSE National index
  - c) BSE 200
  - d) All the above
10. Mutual funds are very popular in
- a) USA
  - b) UK
  - c) Japan
  - d) India
- (10×1=10)**

## PART – B

Answer **any eight** questions. **Each** question carries **three** marks. **Each** answer should not exceed **1½** pages.

- 11. Primary market
- 12. Indirect securities
- 13. Financial asset
- 14. Treasury bill
- 15. Call money market
- 16. CRISIL



17. Discount market
18. Unorganised money market
19. Indigenous Banks
20. Venture capital
21. Net asset value.

(8×3=24)

PART – C

Answer **any four** questions. **Each** question carries **five** marks. **Each** answer should not exceed **2½** pages.

22. Explain the different types of options.
23. Write a note on Credit Analysis and Research Limited (CARE).
24. Distinguish between close-ended and open-ended funds.
25. What do you mean by factoring ?
26. What is meant by listing of stock exchanges ?
27. Explain the Book Building Method.

(4×5=20)

PART – D

Answer **any two** questions. **Each** question carries **13** marks. **Each** answer should not exceed **6** pages.

28. Discuss the various methods of floating new issues.
29. Discuss in detail the SEBI guidelines for primary market.
30. Discuss the Capital Market Reforms in India.
31. Explain the Credit Rating Agencies in India.

(2×13=26)