TEE/FM304/2020/2021 - 22



BRAINWARE UNIVERSITY

Term End Examination 2021 - 22
Programme – Master of Business Administration
Course Name – Financial Markets and Services
Course Code - FM304
(Semester III)

Time: 1 Hr.15 Min Full Marks: 60 [The figure in the margin indicates full marks.] Group-A (Multiple Choice Type Question) 1 x 60=60 Choose the correct alternative from the following: (1) IDBI serves as the ------ institution for term finance to industries a) APEX b) CAT c) IIT d) None of these (2) Which one of the following is not a role of the financial intermediaries? a) Brokerage b) Collection and parceling (size transformatio n) c) Maturity transformation d) Setting exchange rates (3) All India financial Institutions are a) IDBI b) ICICI c) IFCI d) All of these (4) The portion of total deposits of a commercial bank which it has to keep with RBI in the form of cash reserves in termed as a) CRR b) SLR c) Bank Rate d) Repo Rate (5) Annual report on currency and finance is published by a) SIDBI b) RBI c) Ministry of finance d) None of these (6) Suspicious Transactions Reports (STRs) is submitted to a) RBI b) Banking Department, Ministry of Finance c) FIU-IND d) Central Bureau of Investigation (CBI) (7) Relationship of banker with payee of draft

b) Drawees and Drawee

a) Trustee and Beneficiary

| c) Licensor and Licensee | d) Principle and Agent |
|---|---|
| (8) SEBI is | |
| a) Regulatory Authority | b) Statutory Authority |
| c) Both Regulatory Authority and Statutory Authority | d) None of these |
| (9) M Narasimham headed | |
| The working group constituted by the Gover nment of India in July 1975 for the establish ment of Regional Rural Banks | b) . The committee on the financial system 199 |
| 1997 | d) All of these |
| (10) The short term money market comprise | |
| a) The call money market | b) The inter bank deposit market |
| c) The bills re-discounting market | d) All of these |
| (11) RBI notifies CRR under Act. | |
| a) Section 24 of the Banking Regulation Actc) Section 24 of the RBI Act | b) Section 42 of the Banking Regulation Act d) Section 42 of the RBI Act |
| (12) In capital markets, major suppliers of trading in | astruments are |
| a) government and corporations | b) liquid corporations |
| c) instrumental corporations | d) manufacturing corporation |
| (13) Saving banks, insurance companies, mutual fur les of | nds and commercial banks are all examp |
| a) non-financial institutions | b) derivative institutions |
| c) financial institutions | d) payable institutions |
| (14) Type of institutions that write securities, engag onsidered as | e in brokerage and security trading are c |
| a) trading institutions | b) activity institutions |
| c) investment banks | d) mortgage banks |
| (15) Stocks or shares that are sold to investors with ons are classified as | out transacting through financial instituti |
| a) direct transfer | b) in direct transfer |
| c) Initial transfer | d) None of these |
| (16) Type of financial security which have linked paied as | ayoff to another issued security is classif |
| a) derivative security | h) navahla assat |
| c) linked security | b) payable security |
| (17) Type of market in which securities with less the fied as | d) None of these an one year maturity are traded, is classi |
| a) money market | b) conitat |
| c) transaction market | b) capital market |
| (18) In primary markets, first time issued shares to nsidered as | d) global market be publicly traded, in stock markets is co |
| a) IPO | |
| c) BPO | b) IOP d) None of these |
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| (19) Which of the following is not a regulatory in | nstitution in India Financial System? Barasat |
|--|--|
| a) RBI | b) SEBI |
| c) CIBIL | A) IRDA |
| (20) Who is the Governing Body for the new per | nsion scheme? |
| a) SEDI | b) RBI |
| c) FMC | d) DED DA |
| (21) On which of the following banks the Reserv | e Bank of India depends? |
| o operative banks | b) Regional Rural Banks |
| c) Commercial Banks | d) Development Baules |
| (22) The rate at which RBI lends to banks under called | the Liquidity Adjustment Facility (LAF) is |
| a) Repo Rate | h) Payarga Para Pata |
| c) Bank Rate | b) Reverse Repo Rate d) Cash Reserve Ratio |
| (23) The minimum maturity period in foreign cur | Tency non resident (FCNID D) |
| a) 1 Year | b) 2 Warmen (FCNR-B) scheme is |
| c) 5 Years | b) 3 Years |
| (24) As per the RBI's clean note policy writing or | d) 10 Years |
| a) An offense | |
| c) A punishable offence | b) A crime |
| (25) The term refers financial in | d) The notes becomes non-legal tender |
| ted venture with the objective of earning a hi | gh rate of return |
| a) venture capital | b) Merchant banking |
| c) Leasing | d) none of these |
| (26) V C Fs of specialized financial institution pro | omoted by |
| a) Central government | b) RBI |
| c) state government | d) None of these |
| (27) IDBI, IFCI, ICICI etc. are promoted b | v |
| a) V C F s of specialized financial institution | |
| c) Private V C Fs | b) V C F s of commercial bank d) None of these |
| (28) capital is needed for product de | evelopment and initial model. |
| a) seed capital | |
| c) first round financing | b) Startup capital d) None of these |
| (29) provided at a stage when product not earned enough profits to meet future capit | has been lounghed in at |
| a) first round financing | b) Second round financing |
| c) Startup capital | d) None of these |
| (30) is known as Mezzanine capital. | en un la mana de la company de |
| a) Development financing | b) Expansion financing |
| c) Replacement finance | d) none of these |
| (31) is an interest free loan provided payment schedule | d by VCFs without any predetermined re |
| a) Conventional loan | h) Condition 11 |
| c) Income notes | b) Conditional loan d) None of these |
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| (32) are instruments which ca | arry a lower interest rate plus a royalty on sales |
|---|---|
| a) Income notes | b) Debt instrument |
| c) Equity instrument | d) None of these |
| (33) nurturing means the continu | yous &ongoing investment of the VCF through |
| a) Hands on | b) Hands off |
| c) Hands holding | d) none of these |
| (34) All type of activities which are of a finan | |
| a) Financial market | b) Primary market |
| c) Capital market | d) financial services |
| | issuer to enter into with a particular int |
| a) Memorandum of understanding | b) R O C |
| c) Arrangement | d) Agreement |
| (36) Non-banking companies should compulso | orily get credit rating for their |
| a) capital market instruments | b) money market instruments |
| c) debt market instruments | d) none of these |
| (37) The important goal of the financial service | e industry is to mobilise and allocate |
| a) saving | b) sales |
| c) purchase | d) all of these |
| (38) Underwriting of shares by a financial inter | mediary is a kind of activity |
| a) cash based | b) time based |
| c) fund based | d) all of these |
| (39) bonds are sold at a large disc | count to their nominal value. |
| a) Deep discount | b) Discount |
| c) Profit | d) None of these |
| (40) A forward contract is a derivative of a | The second section of the section of |
| a) spot contract | b) financial contract |
| c) particular time contract | d) none of these |
| (41) The direct sale of security to investors is ca | |
| a) self group | b) government placement |
| c) private placement | d) none of these |
| (42) New Issues Market deals withs | |
| a) old | b) new |
| c) forfeited | d) none of these |
| (43) Public issues involves no | |
| a) intermediaries | b) exchange |
| c) share holder | d) underwriter |
| (44) Rights shares are offered to share | eholders |
| a) preference | b) equity |
| c) existing | |
| (45) Placement is the suitable method where | d) none of these |
| | companies issue shares. |

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| a) large | Brainware U |
|--|--|
| c) small | b) medium Barasat, Kolkat |
| (46) Underwriting is a guarantee for marketability o | d) none of these |
| a) bonds | |
| c) shares | b) debentures |
| (47) Zero interest bonds are sold at | d) none of these |
| a) face value | |
| c) discount value | b) par value |
| | d) all of these |
| (48) The industrial securities market in India consist a) secondary market | ts of new issue market and |
| c) capital market | b) money market |
| | d) stock exchange |
| (49) Merchant banks deal with funds raised through | and capital market. |
| a) imanciai market | b) secondary market |
| c) primary market | d) money market |
| (50) IFCI has a merchant banking division with head | d office at and bureau |
| a) Chemiai, Deini | b) Delhi, Chennai |
| c) Delhi, Mumbai | d) Chennai, Delhi |
| (51) The process of managing the sales ledger of a called | lient by a financial service company is c |
| a) Factoring | b) Forfaiting |
| c) Bill discounting | d) None ofthese |
| (52) Under factoring the factor acts in the capacity o | f |
| a) an agent of his client | b) a trustee |
| c) a holder for value | d) An administrator |
| (53) Full service factoring is often | |
| a) Recourse factoring | b) Non-recourse factoring |
| c) Agency factoring | d) None of these |
| (54) Which of the following is a type of international | I factoring? |
| a) Two factor system | b) Single factor system |
| c) Direct export factor system | d) All of these |
| (55) If the residual value of a leased asset is guarante | eed by a third party |
| a) It is treated by the lessee as no residual value | b) The third party is also liable for any lease pa yments not paid by the lessee |
| c) The net investment to be recovered by the le ssor is reduced | d) d. It is treated by the lessee as an additional payment and by the lessor as realized at the end of the lease term. |
| (56) When the lessee is allowed to exchange equipme set has to be sent to the lessor for some repair or ed | ent leased out whenever the original as maintenance, such type of lease is call |
| a) Wrap lease | b) Import lease |
| c) Swap lease | d) Leveraged lease |
| (57) In hire purchase depreciation can be claimed by | the |
| a) Hirer | b) Vendor |

| c) Financier(58) In hire purchase, till the payment of last in s | d) All of these installment, amount paid by hirer is treated a |
|---|---|
| a) Interest c) Cash price (59) lease is for a short period. | b) Rent d) All of these |
| a) Leverage c) Finance | b) Operating d) Cross Boarder |
| a) Finance c) Both Finance and Operating | b) Operating d) None Finance and Operating |

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