



BRAINWARE UNIVERSITY
Term End Examination 2020 - 21
Programme – Master of Business Administration
Course Name – Financial Markets and Services
Course Code - FM304

Semester / Year - Semester III

Time allotted : 75 Minutes

Full Marks : 60

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 60=60

1. *(Answer any Sixty)*

(i) Which was the first Bank to be established in 1148?

- | | |
|-----------------|-----------------------|
| a) SBI | b) CBI |
| c) Reserve Bank | d) Casa De SanGiorgio |

(ii) The first Public bank was

- | | |
|--------|-------------------|
| a) SBI | b) Rural Bank |
| c) PNB | d) Bank of Venice |

(iii) Which one of the following is not a role of the financial intermediaries?

- | | |
|----------------------------|---|
| a) Brokerage | b) Collection and parceling (size transformation) |
| c) Maturity transformation | d) Setting exchange rates |

(iv) Bank classification is possible according to

- | | |
|--------------|-----------------|
| a) Ownership | b) Law |
| c) Function | d) All of these |

(v) All India financial Institutions are

- | | |
|---------|-----------------|
| a) IDBI | b) ICICI |
| c) IFCI | d) All of these |

(vi) For foreign Bank, priority sector lending targets is ___ % of net banking credit

- a) 0.32
- b) 0.36
- c) 0.4
- d) 0.44

(vii) Annual report on currency and finance is published by

- a) SIDBI
- b) RBI
- c) Ministry of finance
- d) None of these

(viii) Which of the following provides financial aid to the developing countries of Asia?

- a) Association of South East Asia Nations
- b) International Development Association
- c) Asian Development Bank
- d) None of these

(ix) Suspicious Transactions Reports (STRs) is submitted to

- a) RBI
- b) Banking Department, Ministry of Finance
- c) FIU-IND
- d) Central Bureau of Investigation (CBI)

(x) Relationship of banker with payee of draft

- a) Trustee and Beneficiary
- b) Drawees and Drawee
- c) Licensor and Licensee
- d) Principle and Agent

(xi) M Narasimham headed

- a) The working group constituted by the Government of India in July 1975 for the establishment of Regional Rural Banks
- b) . The committee on the financial system 1991
- c) The committee on Banking Sector Reforms 1997
- d) All of these

(xii) 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

(xiii) RBI notifies CRR under ----- Act.

- a) Section 24 of the Banking Regulation Act
- b) Section 42 of the Banking Regulation Act
- c) Section 24 of the RBI Act
- d) Section 42 of the RBI Act

(xiv) What is the name of the anti money laundering software of 3i Infotech Ltd. SBI is going to implement?

- a) AMLSAFE
- b) AMLOCK
- c) AMKEY
- d) AMLSECURE

(xv) BCSBI is set up on the recommendation of which committee

- a) Tarapore Committee
- b) Dr. C. Rangarajan Committee
- c) Vijay Kelkar Committee
- d) Montek Singh Ahluwaila Committee

(xvi) Type of structured market through which funds flow with help of financial instruments such as bonds and stocks is classified as

- a) financial markets
- b) non-financial markets
- c) funds market
- d) flow market

(xvii) In capital markets, major suppliers of trading instruments are

- a) government and corporations
- b) liquid corporations
- c) instrumental corporations
- d) manufacturing corporation

(xviii) Type of financial markets in which corporations issues new funds to raise funds is classified as

- a) flow market
- b) primary markets
- c) secondary markets
- d) funding markets

(xix) Stocks or shares that are sold to investors without transacting through financial institutions are classified as

- a) direct transfer
- b) in direct transfer
- c) Initial transfer
- d) None of these

(xx) Example of derivative securities include

- a) swap contract
- b) option contract
- c) future contract
- d) All of these

(xxi) SEBI was established

- a) 1985
- b) 1988
- c) 1990
- d) 1991

(xxii) In primary markets, first time issued shares to be publicly traded, in stock markets is considered as

- a) IPO
- b) IOP
- c) BPO
- d) None of these

(xxiii) Which of the following is not a regulatory institution in India Financial System?

- a) RBI
- b) SEBI
- c) CIBIL
- d) IRDA

(xxiv) Vaidyanthan committee report relates to revival of

- a) RRBS.
- b) NBFCs
- c) Cooperative Credit Structure
- d) Nationalised Banks

(xxv) Who is the Governing Body for the new pension scheme?

- a) SEBI
- b) RBI
- c) FMC
- d) PFRDA

(xxvi) The minimum maturity period in foreign currency non-resident (FCNR-B) scheme is

- a) 1 Year
- b) 3 Years
- c) 5 Years
- d) 10 Years

(xxvii) ?????????????????? is a road towards a high growth economy.

- a) Venture capital
- b) Leasing
- c) Merchant banking
- d) none of these

(xxviii) ?????????????????? act as an intermediary to link up the sources of ideas and the sources of fund.

- a) Merchant banking
- b) Venture capital
- c) Leasing
- d) none of these

(xxix) V C F s of specialized financial institution promoted by ??????????????????????.

- a) Central government
- b) RBI
- c) state government
- d) None of these

(xxx) I D B I , I F C I , I C I C I etc. are promoted by ??????????????????????.

- a) V C F s of specialized financial institution
- b) V C F s of commercial bank
- c) Private V C F s
- d) None of these

(xxxii) High risk is an outstanding feature of ??????????????????????.

- a) Mutual fund
- b) venture capital
- c) Debenture finance
- d) govt. bonds

(xxxiii) ?????????????????? is needed for developing a product in the initial stages.

- a) Seed capital
- b) Startup capital

- c) Second round financing
- d) None of these

(xxxiii) ?????????????????? capital is needed for product development and initial marketing

- a) seed capital
- b) Startup capital
- c) first round financing
- d) None of these

(xxxiv) ?????????????????? capital is provided for early manufacturing and marketing expense

- a) Startup capital
- b) seed capital
- c) first round financing
- d) Second round financing

(xxxv) The additional finance provided by VCFs to overcome fledging stage is called ??????????????.

- a) Second round financing
- b) first round financing
- c) seed capital
- d) None of these

(xxxvi) Venture capital organized in ??????????????????????.

- a) 1995
- b) 1954
- c) 1952
- d) 1950

(xxxvii) Financing sick unit to make them profitable is called ??????????????????????.

- a) Turn around
- b) Buyout
- c) Bridge
- d) None of these

(xxxviii) ?????????????????? is used to estimate the value of venture capital investment

- a) Revenue multiplier
- b) Dual structuring
- c) first chicago method
- d) None of these

(xxxix) The purpose of valuation is to assess the profitability & ?????????????????????? of the venture

- a) Accessibility
- b) Marketability
- c) Viability
- d) None of these

(xl) ?????????????????? types of valuation method can be adopted by VCFs

- a) 1
- b) 2
- c) 3
- d) 4

(xli) In ?????????????????? method the starting time & exit time of the venture investment is only considered

- a) Conventional valuation method
- b) First chieago method
- c) revenue multiplier method
- d) None of these

(xlii) In the ?????????????????? method the entire earnings stream of the venture investment is considered

- a) Conventional valuation method
- b) First chicago method
- c) revenue multiplier method
- d) None of these

(xliii) ?????????????????????? form of loan financing carries lower interest rates initially & increases when the assisted venture units become commercially operational

- a) Conditional loan
- b) Conventional loan
- c) Income notes
- d) None of these.

(xliv) ?????????????????????? are instruments which carry a lower interest rate plus a royalty on sales

- a) Income notes
- b) Debt instrument
- c) Equity instrument
- d) None of these

(xlv) ?????????????????????? is a combination of conventional and conditional loans

- a) Debt instrument
- b) Equity instrument
- c) Income notes
- d) None of these

(xlvi) The first Indian commercial bank to set up a merchant banking division in 1972

- a) S B I
- b) S B T
- c) Bank of India
- d) NONE

(xlvii) All type of activities which are of a financial nature are called

- a) Financial market
- b) Primary market
- c) Capital market
- d) financial services

(xlviii) R O C stands for ????????????????????

- a) Registrar of companies
- b) Registered companies
- c) Registrar of consuler
- d) Registrar of capital

(xlix) The important goal of the financial service industry is to mobilise and allocate _____.

- a) saving
- b) sales
- c) purchase
- d) all of these

(l) Term lending institutions are _____ market intermediaries

- a) cash
- b) credit
- c) capital
- d) sales

(li) Underwriting of shares by a financial intermediary is a kind of _____ activity

- a) cash based
- b) time based
- c) fund based
- d) all of these

(lii) _____ bonds are sold at a large discount to their nominal value.

- a) Deep discount
- b) Discount
- c) Profit
- d) None of these

(lii) A forward contract is a derivative of a _____.

- a) spot contract
- b) financial contract
- c) particular time contract
- d) none of these

(liv) New Issues Market deals with _____ securities

- a) old
- b) new
- c) forfeited
- d) none of these

(lv) Public issues involves no _____.

- a) intermediaries
- b) exchange
- c) share holder
- d) underwriter

(lvi) Rights shares are offered to _____ shareholders.

- a) preference
- b) equity
- c) existing
- d) none of these

(lvii) Zero interest bonds are sold at _____.

- a) face value
- b) par value
- c) discount value
- d) all of these

(lviii) In _____ lease, maintenance expenses and taxes are born by the lessor:>

- a) Finance
- b) Operating
- c) Both Finance and Operating
- d) None Finance and Operating

(lix) In hire purchase, who can be enjoying salvage value of asset?

- a) Hirer
- b) Vendor
- c) Financier
- d) All of these

(lx) A way to analyze whether debt or lease financing would be preferable is to:

- a) compare the net present values under each alternative, using the cost of capital as the discount rate.
- b) compare the net present values under each alternative, using the after-tax cost of borrowing as the discount rate.
- c) compare the payback periods for each alternative
- d) compare the effective interest costs involved for each alternative