



BRAINWARE UNIVERSITY

Term End Examination 2023

Programme – BBA-2018/BBA-2019/BBA-2020

Course Name – Financial Institutions and Markets

Course Code - BBA602/BBAC602

(Semester VI)

Library
Brainware University
398, Ramkrishnapur Road, Bara
Kolkata, West Bengal-700125

Full Marks : 60

Time : 2:30 Hours

[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 15=15

1. Choose the correct alternative from the following :

(i) is a product whose value is derived from the value of underlying asset. Name it

- | | |
|----------|----------------|
| a) Repo | b) T-bills |
| c) G.sec | d) Derivatives |

(ii) Tell which also known as "G.Secs"

- | | |
|---------------------------|-------------------------|
| a) Gold Traded Fund (GTF) | b) General Securities |
| c) Govt. Securities | d) Growth oriented fund |

(iii) Perpetual bond is also known as ____ Identify

- | | |
|-----------------------|----------------------|
| a) Deep discount bond | b) Irredeemable bond |
| c) Bearer bond | d) Registered bond |

(iv) Secured Premium Notes (SPN) always issued with..... Select

- | | |
|-----------------------|-------------|
| a) Premium | b) Discount |
| c) Detachable Warrant | d) upon |

(v)bonds are high risk and high yield bonds developed in USA. Name it

- | | |
|-----------------------|----------------|
| a) Deep discount bond | b) Junk bonds |
| c) Bearer bond | d) Bunny bonds |

(vi) Show when the lending ability of commercial bank increases when

- | | |
|------------------------------------|--------------------------|
| a) Reserve ratio is increased | b) RBI credit is reduced |
| c) RBI sells government securities | d) None of the above |

(vii) Which of the following markets is sometimes organized as an over-the-counter market?

Determine the market

- | | |
|---------------------------------|---------------------|
| a) The stock markets | b) The bond markets |
| c) The foreign exchange markets | d) all of the above |

(viii) Which of the following instruments are traded in a capital market? Choose the correct option

- a) U.S. government agency securities
 c) Repurchase agreements
 (ix) Bonds that are sold in a foreign untry and are denominated in a currency other than that of the untry in which they are sold. Determine the bond
 a) foreign bonds.
 c) Euro-currencies.
 (x) Choose the main sources of financing for businesses, in order of importance, are
 a) financial intermediaries, issuing bonds, issuing stocks.
 c) issuing stocks, issuing bonds, financial intermediaries.
 (xi) The depository institutions such as thrifts includes___-Select
 a) savings associations
 c) credit unions
 (xii) Mention the example of derivative securities includes
 a) swap contract
 c) futures contract
 (xiii) Name the authority which intervenes directly or indirectly in foreign exchange markets by Altering the interest rates
 a) centralized instruments
 c) central government
 (xiv) State the regulation of the banking industry is of particular importance in modern economies because:
 a) banks are large and very profitable.
 c) banks employ many people.
 b) Negotiable bank CDs
 d) Eurodollars
 b) Eurobonds.
 d) Eurodollars.
 b) issuing bonds, issuing stocks, financial intermediaries.
 d) issuing stocks, financial intermediaries, issuing bonds.
 b) savings banks
 d) all of above
 b) option contract
 d) all of these
 b) centralized stocks
 d) central rporations
 b) everyone in the economy has a bank account.
 d) banks provide the principal means of payment for the economy.
 Moral hazard caused by regulation can only be removed from financial transactions. Select the correct option
 a) regulations are regularly revised to keep pace with the changing circumstances of the market.
 c) all regulation is self-regulation.
 b) the regulations prevent agency capture.
 d) participants in the finance industry do not feel protected by the regulations.

Group-B

(Short Answer Type Questions)

3 x 5=15

2. Briefly describe the structure of Indian money market. (3)
 3. Explain credit creation process (3)
 4. Enumerate new issue market (3)
 5. Define private placement (3)
 6. Appraise the role of CRISIL and IICRA. (3)

OR

Evaluate whether call rate remains fixed or variable (3)

Group-C

(Long Answer Type Questions)

5 x 6=30

7. Define financial system. (5)
 8. Give names of some new innovative financial instruments in Indian Capital Market. (5)

- 9. Explain the features of REPO (5)
- 10. Classify different S-term source of finance (5)
- 11. Summarise the role of disunt house (5)
- 12. Evaluate two merits of call money market. (5)

OR

Evaluate the main limitation of Capital market in India. (5)
