



BRAINWARE UNIVERSITY

Term End Examination 2023-2024

Programme – MBA-2022/MBA-2023

Course Name – Banking and Financial Markets and Services

Course Code - MBA201

(Semester II)

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) Recognise the security whose value is derived from the value of underlying asset.
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|----------|----------------|
| a) Repo | b) T-bills |
| c) G.sec | d) Derivatives |
- (ii) Name the product whose value is derived from the value of underlying asset.
- | | |
|----------|----------------|
| a) Repo | b) T-bills |
| c) G.sec | d) Derivatives |
- (iii) In Indian Capital market, 'BOLT' stands for _____, recognize the correct option.
- | | |
|-------------------------------|--------------------------|
| a) Borrowing or Lending Trade | b) Bombay Online Trading |
| c) Bond or Loan Transaction | d) None of these |
- (iv) State the full form of G-sec.
- | | |
|---------------------------|-------------------------|
| a) Gold Traded Fund (GTF) | b) General Securities |
| c) Govt. Securities | d) Growth oriented fund |
- (v) Select the odd one out.
- | | |
|----------------------------|-----------------------|
| a) Commercial paper. | b) Share certificate. |
| c) Certificate of deposit. | d) Treasury bill. |
- (vi) Identify the process of managing the sales ledger of a client by a financial service company.
- | | |
|---------------|-------------------|
| a) Forfaiting | b) Factoring |
| c) Leasing | d) None of these. |
- (vii) Locate the correct answer. Mutual funds are very popular in _____.
- | | |
|----------|----------|
| a) USA | b) UK |
| c) Japan | d) India |

- (viii) Identify the correct option. If the public debt can be financed without adding to inflation or causing interest rates to rise, it is said to be _____.
- a) Only a burden on future generations. b) Following the golden rule of the public finances.
- c) In primary balance. d) Sustainable.
- (ix) Interest rate expectations have been thought to be an important influence on bond sales. Estimate the correct answer.
- a) Government bond-holders are, by and large, are immense risk averse. b) Interest rates have always been very unstable.
- c) The bond market is dominated by people interested mainly in capital gains. d) Government bond-holders hold extrapolative expectations.
- (x) The sale of government bonds overseas _____ . Examine the options and fill in the blank.
- a) Causes a fall in the domestic money supply. b) Causes a deficit in the balance of payments.
- c) Causes a smaller increase in interest rates than the sale of bonds to the domestic banking sector. d) Causes a smaller increase in interest rates than the sale of bonds to the domestic private sector.
- (xi) Which of the following instruments are traded in a capital market? Select the correct answer.
- a) Common stock b) Negotiable instruments
- c) Repurchase agreements d) Call money
- (xii) Explain the bonds that are sold in a foreign country and are denominated in that country's currency.
- a) Foreign bonds. b) Eurobonds.
- c) Eurocurrencies. d) Eurodollars.
- (xiii) Select the bonds that are sold in a foreign country and are denominated in a currency other than that of the country in which they are sold.
- a) Foreign bonds. b) Eurobonds.
- c) Euro-currencies. d) Eurodollars.
- (xiv) Analyze the context of financial markets and select the correct answer. The presence of transaction costs in financial markets indicates _____.
- a) Financial markets are speculative. b) Financial markets are corrupt.
- c) Financial markets are NOT perfect. d) Financial markets are efficient..
- (xv) Analyse the context of financial markets and conclude appropriately. Which of the following The problem of adverse selection indicate?
- a) Asymmetric information b) Fraud
- c) Transaction costs d) Inefficient markets

Group-B

(Short Answer Type Questions)

3 x 5=15

2. Differentiate between listed and unlisted companies. (3)
3. Examine the features of the stock market. (3)
4. Discuss the major features of an organized or developed money market. (3)
5. Sketch the features of public sector banks. (3)
6. Summarize the different types of Treasury bills introduced in the Indian money market. (3)

OR

- Appraise the role of Merchant banking. (3)

Group-C
(Long Answer Type Questions)

5 x 6=30

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|---|-----|
| 7. Describe functions of SEBI. | (5) |
| 8. Distinguish between the primary market and the secondary market. | (5) |
| 9. Explain the features of REPO. | (5) |
| 10. Explain the features of Reverse REPO. | (5) |
| 11. Summarises the role of discount house. | (5) |
| 12. Distinguish between a certificate of deposit and a fixed Deposit. | (5) |
- OR**
- | | |
|---|-----|
| Evaluate two merits of the call money market. | (5) |
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