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Name.....

Reg. No.....

FOURTH SEMESTER P.G. (C.C.S.S.) DEGREE EXAMINATION, JUNE 2018

Economics

ECO 4E 07—INDIAN FINANCIAL SYSTEM

(2013 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

Answer all questions.

Each question carries 1 mark.

1. The liquidity status of certificate of deposit which is more negotiable is considered as :
(a) Certified liquidity. (b) Term liquidity.
(c) More liquid. (d) Less liquid.
2. Collateralized Borrowing and Lending Obligation is :
(a) Money Market Instrument. (b) Monetary Policy Instrument.
(c) Investment fund. (d) Capital Market Instrument.
3. The short term promissory notes and are unsecured, not collateralized against securities is classified as :
(a) Notes Payable. (b) Notes receivable.
(c) Commercial Paper. (d) Commercial Notes.
4. The total number of Stock Exchanges in India are :
(a) 20. (b) 21.
(c) 22. (d) 23
5. Which act has given control and supervision powers to RBI over commercial banks :
(a) RBI Act 1934.
(b) Banking Regulation act 1949.
(c) Both RBI Act 1934 and Banking Regulation act 1949.
(d) Banking Regulation Act 1960.

Turn over

6. Depositary receipts that are traded in an international market other than the United States are referred to as :
- (a) Global depositary receipts. (b) International depositary receipts.
(c) Open market depositary receipts. (d) None of the above
7. A Treasury bill is basically :
- (a) An instrument to borrow short term funds.
(b) An instrument to borrow long term funds Instrument.
(c) An instrument of capital market.
(d) None of the above.
8. The market where debt and stocks are traded and maturity period is more than a year is classified as :
- (a) Shorter term markets. (b) Capital Market.
(c) Counter markets. (d) Money markets.
9. The markets in which transactions are done through computers and telephone without any specific location are classified as :
- (a) Past counter market. (b) Future counter market
(c) Over the Counter Markets. (d) None of the above.
10. In Interest rate swap transaction the party who pays the fixed payments of interest is classified as:
- (a) Notion buyer (b) Notion seller.
(c) Swap buyer. (d) Swap seller

(10 × 1 = 10 marks)

Part B

Answer any eight questions.

Each question carries 5 marks.

11. State the Objectives of development of financial institutions.
12. Discuss the Objectives of Unit Trust of India.
13. Explain the functions of financial system in India.
14. What is credit rating ? Explain the importance of credit rating.
15. Write about foreign capital flows.
16. Describe various derivatives in India.
17. Distinguish between shares and debentures.