

# QUESTION BANK

## Financial Markets, Institutions

### And Services

#### DSE-1

#### A. One Mark Question

- a) \_\_\_\_\_ is a link between savers & borrowers, helps to establish a link between savers & investor.
- b) \_\_\_\_\_ is the organisations, institutions that provide long term funds.
- c) When securities are allotted to institutional investors & some selected individuals is d) referred to as \_\_\_\_\_.
- e) Stock exchange is known as \_\_\_\_\_ market for securities.
- f) \_\_\_\_\_ is a market for lending & borrowing of short term funds.
- g) \_\_\_\_\_ is also called zero coupon bond.
- h) The short term financial instruments traded in money market is commonly called
- i) Raj Enterprises wishes to invest ₹1,10,000 in treasury bills. What is the maximum
- j) Number of treasury bills it can buy with this fund?
- k) The allocated function is performed by
- l) It is a market for short-term funds which deals in monetary assets whose period of Maturity is up to one year. Name the Market.
- m) It is an instrument of short-term borrowing by the Government of India maturing in less than one year. Name the Instrument.
- n) Who issues a treasury bill?
- o) The capital market consists of ?
- p) The process of holding shares in electronic form is known as ?
- q) Who acts like a bank and keeps securities in electronic form on behalf of the investor.
- r) Who Serves as an intermediary between the investor and the depository who is authorised to maintain the accounts of dematerialised shares.
- s) SEBI has constituted a committee under TK Viswanathan for \_\_\_\_\_.
- t) When is a trade confirmation slip issued to the investor?
- u) SEBI has launched an online registration system for?
- v) Which trading individuals has SEBI decided to grant a unified license to operate in Commodity derivative and equity markets?
- w) What is the latest amendment to the FPI regulations by capital and commodities market Regulator SEBI?
- x) What is the latest amendment to the FPI regulations by capital and commodities market Regulator SEBI?

- y) SEBI has allowed celebs to endorse which products?
- z) SEBI announced plans to tighten regulations for which type of trading?
- aa) Who has been appointed the new SEBI chief w.e.f March 1, 2017?
- bb) Which financial body has asked intermediaries and companies to make regulatory payments in digital mode?
- cc) SEBI has relaxed investment rules for which funds?
- dd) SEBI has proposed a set of changes to relax rules and rename the institutional trading Platform as what? ee) \_\_\_\_\_ is a type of investment vehicle consisting of a portfolio of stocks, bonds, or other securities.
- ff) The value of one unit of investment in Mutual fund is called the \_\_\_\_\_
- gg) What allocates saving efficiently in an economy to ultimate users either for investment in real assets or for consumption

## B. Short Answer Type Questions

- a. What is loan syndication?
- b. What is discount market?
- c. Distinguish between forwards and futures.
- d. What is option cycle?
- e. What do you mean by equilibrium in financial markets?
- f. What is Bank rate?
- g. What do you mean by factoring services?
- h. What is Marginal Standing Facility (MSF)?
- i. What is credit rating?
- j. What do you mean by derivatives?
- k. Define financial market.
- l. What is financial Intermediaries?
- m. What is 'Financial Services'?
- n. What is 'Financial Services Environment'?
- o. Explain the role and functions of participants in the financial markets.
- p. What is secondary market? Describe the market participants of secondary Markets.
- q. Explain the roles of SEBI and RBI in the regulation of capital markets.
- r. What is international Monetary Fund? And also explain the role of IMF.
- s. Explain briefly Euro dollar and Euro currency market.
- t. What is money market? What are the various instruments of money market?

- u. What is the role of NABARD in economic development?
- v. Discuss the nature of mutual fund markets in India.
- w. What do you understand by financial system?
- x. Discuss the functions of the financial system?
- y. Discuss the functions of financial market?
- z. Discuss the different markets to be found in the financial system?
- aa. Describe the characteristics of a money market.
- bb. What is the need for a money market?
- cc. Explain the growth and components of the capital market.
- dd. Define money market and specify the instruments.
- ee. Who can issue commercial paper?
- ff. Discuss the different types of Treasury Bills.
- gg. Describe the working of stock market.
- hh. Discuss the nature of government securities.
- ii. Explain the salient features of the market in government securities.
- jj. Describe the organization of the stock market.
- kk. What is commercial Banking?
- ll. Discuss the growth and structure of Banking.
- mm. Describe the role of foreign Banks.
- nn. Discuss the objectives of the merchant banking.
- oo. Describe the concept and functions of the merchant banking in India.
- pp. Discuss the government policy and regulations for merchant banking in India.
- qq. What do you understand by central Banking?
- rr. Discuss the functions of a central bank.
- ss. What is the monetary policy of Reserve Bank of India?

- tt. State the different types of mutual funds prevailing in India?
- uu. Discuss the SEBI's regulatory provisions for Mutual Funds.
- vv. What are the guidelines issued by securities exchange board of India with regard to the capital Market?
- ww. Discuss the need for financial reforms in India.
- xx. Describe the major reforms in financial sector after 1991
- yy. Meaning & Definition of Bank
- zz. Financial Markets
- aaa. Financial Services
- bbb. Financial Intermediary
- ccc. Financial Institutions
- ddd. Financial Instruments
- eee. Chain & Group Banking
- fff. Correspondent Banking
- ggg. Deposit Banking
- hhh. Investment Banking
- iii. Mixed Banking
- jjj. Write a brief note on CRR & SLR.
- kkk. Write a brief note on Repo and Reverse Repo Rate.

C. Long Type Question.

- a) Briefly explain the various types of NBFCs and also explain the regulatory frame work of NBFCs.
- b) Explain about derivatives market and also explain about its structure and Operations.
- c) What is capital market? Explain evolution and development of capital market.
- d) Discuss about the stock exchanges. How are stock exchanges regulated?
- e) Explain the functions of Asian development Bank (ADB) and New development Bank (NDB).
- f) Discuss in detail the operation and trends in foreign exchange market.

- g) Define Financial Services? What are the various kinds of financial services provided by Banks and financial institutions?
- h) What is the role of Merchant bankers in providing of fee based advisory services.
- i) Write in Brief some of important Pre-Issue and post-issue obligations of merchant bankers.
- j) What do you mean by Mutual Fund? What are the benefits and problems of Mutual Fund India?
- k) "Investing in securities through mutual fund is a better choice than direct investment". Examine the statement.
- l) What do you mean by leasing? Discuss the Various kinds of Leasing?
- m) "Leasing is Beneficial to both, the lessee as well as the lessor". Examine.
- n) 8. What are the functions performed by the factor? Also state the benefits of Factoring to Different parties.
- o) Define the term Factoring. And explain its Mechanism.
- p) Explain the different stages of venture capital.
- q) Explain the features of Mutual Fund.
- r) Briefly explain the structure of Financial System.
- s) Explain the functions of RBI.
- t) Explain about Qualitative & Quantitative Credit Control Measures of RBI.
- u) Bring about the role played by RBI in Economic Development of the country.
- v) Bring out the merits and demerits of Branch Banking System.
- w) Explain about the merits and demerits of Branch Banking System.
- x) Briefly describe the functions of commercial banks.
- y) What is co-operative banking? Briefly explain its functions and drawbacks.
- z) What are Regional Rural Banks? Explain the features and bring out its drawbacks.
- aa) What is Retail Banking? Explain its features. bb) Briefly explain Modern Banking Facilities. cc) Explain the advantages of E-Banking. dd) Explain the procedure for opening of Bank Accounts. ee) Explain the precautions to be taken by a customer while opening an account.
- ff) Define Banker and Customer. Explain briefly about the General Relationship between them.
- gg) Define Banker and Customer. Describe the special relationship between banker and customer.
- hh) Explain briefly about the components and composition of Money Market along with the Charts. (Institutions and Instruments) ii) State the defects of money market and the reforms to be improved. jj) What is stock Exchange? What are its functions? kk) What is SEBI? Explain its functions. ll) Briefly explain the trading procedure for purchase and sale of securities. mm) What is Merchant Banking? Briefly explain the functions of Merchant Banking.

- nn) Define Mutual Funds and state various schemes of mutual funds (classification of mutual Funds).
- oo) Give a brief note on the importance and advantages of mutual funds.