

M.Com. 1st Semester Examination, 2012

FINANCIAL INSTITUTIONS AND MARKETS

PAPER – COM-104

Full Marks : 50

Time : 2 hours

The figures in the right-hand margin indicate marks

Candidates are required to give their answers in their own words as far as practicable

Illustrate the answers wherever necessary

UNIT – I

[Marks : 20]

1. Answer any *two* questions from the following : 5 × 2
 - (a) State and prove the relation between market value of bond and interest rate. 5
 - (b) State the main characteristics of Indian money market instruments. 5

(Turn Over)

- (c) (i) Distinguish between banks and NBFCs.
- (ii) Which institutions are included in the RNBCs? 3 + 2
- (d) Discuss in brief the operations of mutual fund institutions. 5
2. Answer any *one* question from the following : 10 × 1
- (a) (i) Write a note on "Priority sector lending".
- (ii) Discuss in brief the main recommendations of Committees on Banking Sector Reforms. 4 + 6
- (b) (i) Give a brief outline of Indian Banking System.
- (ii) Briefly identify the contributions of the financial system to a country's economic development. 5 + 5

UNIT – II

[Marks : 20]

3. Answer any *two* questions from the following : 5 × 2
- (a) State the important functions of SEBI. 5
- (b) Write a short note on GDR. 5

(c) Give the meaning of the following terms in relation to the option trading : 5

option buyer, option writer, option premium, exercise price, exercise date.

(d) Write short notes on any *two* of the following: $2 \frac{1}{2} \times 2$

(i) Deep discount bond

(ii) Zero coupon bond

(iii) Municipal bond.

4. Answer any *one* question from the following : 10 × 1

(a) Give a brief account of the modern day security trading methods in the stock market. 10

(b) (i) Discuss, in brief, the book-building process.

(ii) Discuss the different stock market indices in India. 6 + 4

[*Internal Assessment* = 10 Marks]