

Part C

*Answer any **three** questions.
Each question carries a weightage of 4.*

29. What are the investment avenues in India ?
30. What are the different sources of risk ? Explain in detail.
31. Explain in detail Dow's theory.
32. Explain in detail efficient market hypothesis.
33. How to measure rate of return and risk for a portfolio ? Illustrate.

(3 x 4 = 12 weightage)

SECOND SEMESTER M.A. DEGREE EXAMINATION, AUGUST 2013

(CUCSS)

Applied Economics

FINANCIAL MARKETS

Time : Three Hours

Maximum : 36 Weightage

Part A*Answer **all** questions.**Each bunch of four questions carries a weightage of I.*

1. An organizational that serves many needs of business enterprises such as giving advice on financial alternations, corporate mergers, underwriting etc.
 - (a) Mutual funds.
 - (b) Corporate.
 - (c) MNC.
 - (d) None of these.
2. An option that gives its holder the right to sell an asset at a fixed price during a certain period.
 - (a) Cell options.
 - (b) Optional value.
 - (c) Put options.
 - (d) Deferred payment.
3. Who is a regulatory authority of capital market ?
 - (a) Ministry of finance.
 - (b) **RBI.**
 - (c) SEBI.
 - (d) None of these.
4. A bill of exchange has a maturity of :
 - (a) 45 days.
 - (b) 90 days.
 - (c) **120** days.
 - (d) 180 days.

Multiply Choices :

5. Short term funds which fly from centre to centre to secure high interest rate :
 - (a) Flat money.
 - (b) Money at call.
 - (c) Hot money.
 - (d) Liquid cash.
6. Debt that matures after one year :
 - (a) Funded debt.
 - (b) Future value.
 - (c) Long term fund.
 - (d) None of these.

Turn over

7. The fee charged by the fund when the Investor sells his unit.
- (a) Entry load. (b) Exit load.
- (c) Discount. (d) Capital appreciation.
8. A short term unsecured promissory note issued by a corporation mostly on discount basis.
- (a) Bill of exchange. (b) Collateral security.
- (c) Commercial paper. (d) None of these.

Fill in the blanks :

9. DFHI mainly deals with _____
10. The financial contracts which are not at all standardized _____
11. The Repo rate is _____
12. The direct sale of securities to investor is called _____

True or False :

13. Canara bank is the bank having largest number of branches in the country.
14. Micro finance institutions are fully controlled by SEBI.
15. ATM is an example of any time and any where banking.
16. Depository service is an important function of RBI.

(16 x $\frac{1}{4}$ = 4 weightage)

Part B (Short Answer Questions)

*Answer any **ten** not exceeding **one page** each.*

17. What is a blue chip share ? Examine its scope in the Indian capital market.
18. Discuss the methods of raising capital in the primary market.
19. Explain the working of Micro Finance.
20. Explain the following :—
- (a) Venture capital ;
- (b) Equities and bonds.
21. Explain Internet and Mobile banking.
22. How does the valuation of NAV of mutual funds undertaken ?
23. What is meant by SWAP ?
24. What are discounted cash flows ?
25. Explain portfolio management.