



Name : .....

Roll No. : .....

Invigilator's Signature : .....

**CS/MBA (OLD)/SEM-(4FT&6PT)/FM-404/2010**

**2010**

**MONEY AND CAPITAL MARKET**

Time Allotted : 3 Hours

Full Marks : 70

*The figures in the margin indicate full marks.*

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

**GROUP – A**

**( Multiple Choice Type Questions )**

1. Choose the correct alternatives for any *ten* of the following : 10 × 1 = 10

- i) A preliminary prospectus is known as a
  - a) Golden parachute
  - b) Red herring
  - c) Blue sky
  - d) Green shoe.
- ii) Certificate of deposits are
  - a) issued by banks
  - b) issued by corporates
  - c) issued by RBI
  - d) none of these.
- iii) An order for the purchase of securities at a fixed price is known as
  - a) limit order
  - b) discretionary order
  - c) open order
  - d) stop loss order.



- iv) The market for extremely short period loans is called
- a) call money market      b) acceptance market  
c) treasury bill market      d) none of these.
- v) In case of rolling settlement trading, the settlement cycle is of
- a) T + 1 days                      b) T – 1 days  
c) T + 2 days                      d) T – 2 days.
- vi) NEAT stands for
- a) National Exchange for Automated Trading  
b) New Exchange for Automated Trading  
c) NSE's Examination and Training  
d) None of these.
- vii) Carry over of the settlement till the next settlement period is called
- a) Mark of market              b) Badla transaction  
c) Off market transaction      d) None of these.
- viii) Sellers who sell shares without owning them are called
- a) long sellers                      b) short sellers  
c) ordinary sellers              d) none of these.
- ix) Speculators who neither buy nor sell securities in the market, but still trade on them are called
- a) Sloths                              b) Stags  
c) Lame Ducks                      d) Bears.



- x) The process of holding the entire supply of a particular security with a view of dictating terms to the short sellers is called
- a) Wash sales                      b) Arbitrage  
c) Rigging the market          d) Cornering.
- xi) An independent broker who deals in securities on his own behalf is called
- a) Jobber                              b) Commission broker  
c) Authorized clerks              d) None of them.
- xii) BRLMs stands for
- a) Book Running Lead Manager  
b) Book Running Loss Mitigators  
c) Book Running Lending Median  
d) Book Running Lead Margins.

**GROUP – B**

**( Short Answer Type Questions )**

Answer any *three* of the following.                      3 × 5 = 15

2. Write a small note on book building method.
3. What is speculative trading ?
4. What are the instruments issued in the New Issues market ?
5. Mention the loop holes of money market.
6. Write a note on arbitrate and cornering.



**GROUP – C**

**( Long Answer Type Questions )**

Answer any *three* of the following.  $3 \times 15 = 45$

7. a) Differentiate between money market and capital market.  
b) Discuss the importance of mortgage market, gilt-edged securities market and long term loans market.  $5 + 10$
8. a) Explain the listing procedure in India stock market.  
b) State the SEBI guidelines as is applicable for primary and secondary market.  $5 + 10$
9. a) Define money market.  
b) What are the different types of bills available in Indian money market ?  
c) Discuss the activities of discount market and acceptance market.  $2 + 5 + 8$
10. Explain “Green Shoe Option”. Discuss SEBI guidelines regarding buyback of shares. What do you mean by “Kerb” trading ?  $5 + 5 + 5$
11. What are the various types of short-term instruments available in India ? Discuss the relative advantage of each of these.  $6 + 9$
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