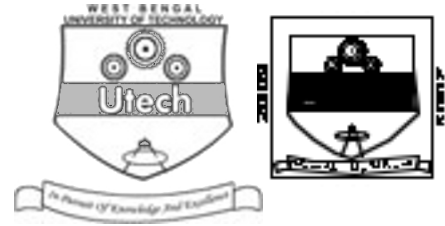


**CS/MBA(SUPPLE)/SEM-4/FM-404/09
MONEY AND CAPITAL MARKET (SEMESTER - 4)**



1.
Signature of Invigilator

2.
Signature of the Officer-in-Charge

Reg. No.

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Roll No. of the Candidate

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**CS/MBA(SUPPLE)/SEM-4/FM-404/09
ENGINEERING & MANAGEMENT EXAMINATIONS, JULY – 2009
MONEY AND CAPITAL MARKET (SEMESTER - 4)**

Time : 3 Hours]

[Full Marks : 70

INSTRUCTIONS TO THE CANDIDATES :

- This Booklet is a Question-cum-Answer Booklet. The Booklet consists of **32 pages**. The questions of this concerned subject commence from Page No. 3.
- In **Group – A**, Questions are of Multiple Choice type. You have to write the correct choice in the box provided **against each question**.
 - For **Groups – B & C** you have to answer the questions in the space provided marked 'Answer Sheet'. Questions of **Group – B** are Short answer type. Questions of **Group – C** are Long answer type. Write on both sides of the paper.
- Fill in your Roll No. in the box** provided as in your Admit Card before answering the questions.
- Read the instructions given inside carefully before answering.
- You should not forget to write the corresponding question numbers while answering.
- Do not write your name or put any special mark in the booklet that may disclose your identity, which will render you liable to disqualification. Any candidate found copying will be subject to Disciplinary Action under the relevant rules.
- Use of Mobile Phone and Programmable Calculator is totally prohibited in the examination hall.**
- You should return the booklet to the invigilator at the end of the examination and should not take any page of this booklet with you outside the examination hall, **which will lead to disqualification**.
- Rough work, if necessary is to be done in this booklet only and cross it through.

No additional sheets are to be used and no loose paper will be provided

FOR OFFICE USE / EVALUATION ONLY

Marks Obtained

Question Number	Group – A								Group – B				Group – C				Total Marks	Examiner's Signature	
Marks Obtained																			

.....
Head-Examiner/Co-Ordinator/Scrutineer

S-52007 (17/07)



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CS/MBA(SUPPLE)/SEM-4/FM-404/09
MONEY AND CAPITAL MARKET
SEMESTER - 4



Time : 3 Hours]

[Full Marks : 70

GROUP - A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following : 10 × 1 = 10
- i) The initial prospectus released while placing a new issue is called
- a) Red note
 - b) Green shoe
 - c) Red Herring
 - d) Scheduled prospectus.
- ii) The main regulator of the insurance companies in India is
- a) RBI
 - b) CCCI
 - c) IRDA
 - d) SEBI.
- iii) The option given to underwriters to sell-off a percentage of their securities shortly after closing of the sale is called
- a) Insider Trading
 - b) Green shoe option
 - c) Carry-forward option
 - d) Book-building option.
- iv) Which is not under the organized market ?
- a) Capital market
 - b) Money Market
 - c) Chit Fund
 - d) Bond Market.



v) NIM (New Issue Market) is also called

- a) Secondary Market
- b) Primary Market
- c) Money Market
- d) Capital Market.

vi) The component of a Capital Market is

- a) Treasury Bill Market
- b) Govt. Securities Market
- c) Commercial Bill Market
- d) (a) & (b) both.

vii) Which of the following is *not* a part of the money market ?

- a) Call Money Market
- b) Treasury Bill Market
- c) Commercial Paper Market
- d) Stock Market.

viii) Scheduled Banks are those, having paid up capital and deposit of

- a) Rs. 1 Lakh
- b) Rs. 5 Lakhs
- c) Rs. 5 Lakhs and more
- d) None of these.

ix) "NAV" stands for

- a) Net Asset Value
- b) Next Asset Value
- c) Near Asset Value



- d) No Asset Value.
- x) Govt. Securities are called
- a) Gifts
 - b) Treasury Bill
 - c) Share
 - d) Debentures.



- xi) "Zero Coupon Bond" carries
- a) no interest or, coupon rate
 - b) with interest rate
 - c) no discount rate
 - d) none of these.

- xii) Who invests in preference shares ?
- a) Directors
 - b) Banks and FIs
 - c) Ordinary people
 - d) Government Trusts.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following.

3 × 5 = 15

2. State the concept of arbitraging in the capital market.
3. Describe the importance of the Inter-Corporate Deposits.
4. How does the Repo rate affect the rate of interest ?
5. What do you mean day-trading ?



6. State the importance of Escrow account in the book building process.

GROUP – C

(Long Answer Type Questions)

Answer any *three* questions.



3 × 15 = 45

7. Describe in details the guidelines towards buyback of shares. State the advantages of buyback from the company's point of view.

8. What do you mean by Insider Trading ? How are the insider trading practices checked ?

9. State in detail the process of book building. Discuss in detail the process of bidding.

10. a) What do you mean by Treasury Bills ? Why are the treasury bills issued ?

b) Discuss the advantages of de-materialization of shares.

11. Write short notes on any *three* of the following :

3 × 5

a) Rights Issue

b) Green shoe option

c) Merchant Bankers

d) AMFI

e) Option trading.

END