

M.Com. 1st Semester Examination, 2011

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) Briefly discuss the important functions of a formal financial system.

- (b) Give a brief account of Development Financial Institutions in India.
- (c) State in brief the procedure for issuing treasury bills.
- (d) Write short notes on Money Market Mutual Funds.

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

(a) (i) Discuss the different types of risk associated with E-banking. 5

(ii) Write short notes on : $2\frac{1}{2} + 2\frac{1}{2}$
Non-performing assets ; Prudential norms.

(b) (i) Explain the volatile nature of call money rates. 3

(ii) Briefly discuss the guidelines for issue of certificates of deposit. 3

(iii) Mention the various factors which determine the interest rate structure. 4

UNIT – II

[Marks : 20]

3. Answer any *two* questions from the following : 5 × 2

(a) When is a share listed generally in the Z category in Bombay Stock Exchange (BSE) ? Mention a few circumstances.

(b) Distinguish between a bull operation and a bear operation in stock market trading.

(c) 'Both primary market and secondary market should be efficient for healthy growth of capital market.' Discuss.

(d) Discuss the drawbacks of 'offer for sale' and 'private placement' method.

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

(a) Discuss the functions performed by any four intermediaries in the primary market. 10

- (b) (i) Explain margin trading with the help of hypothetical examples. 6
- (ii) Write short notes on : 2 + 2
- Rolling settlement, Warrants.

[*Internal Assessment* : 10 Marks]
