

Subject
Code

0317

**FINANCIAL MARKET OPERATION
DSE-III**

Question Booklet No.

Signature of Invigilator	To be filled in by candidate by ball-point pen only	OMR Sl. No.
	Roll No. _____	_____
Time of Examination	Declaration : I have read and understood the instructions given below.	Full Marks : 80/50
Date of Examination	Full Signature of Candidate	
	Name of Candidate	

Number of Questions
in the Booklet } **50/40**



UU 6th Semester Examination, 2020

INSTRUCTIONS TO CANDIDATES

- Immediately after getting the booklet read instructions carefully mentioned on the front and back page of the Question Booklet. Do not open the seals unless asked by the Invigilator.
- Write your Roll No., OMR Response Sheet No., in the specified places given above and put your signature.
- Write the subject code of the booklet in your OMR Sheet.
- Make all entries in the OMR Response Sheet as per the given instructions; otherwise OMR Response Sheet will not be evaluated.
- After opening the seals, ensure that the Question Booklet contains total no. of pages as mentioned above and printing of all the **50 / 40** questions are proper. If any discrepancy is found, inform the invigilator within **15** minutes and get the correct Question Booklet.
- For each question in the Question Booklet choose the correct option from the given four alternatives and darken the same circle in the OMR Response Sheet with Black or Blue ball-point pen.
- Darken the circle of correct answer properly; otherwise answers will not be evaluated. The candidate will be fully responsible for it.
- If more than one option is darken foe a particular question, then it will be treated as wrong answer.
- After completion of the examination, only OMR Response Sheet is to be handed over to the invigilator.

THERE IS NO NEGATIVE MARKING FOR WRONG ANSWER

FINANCIAL MARKET OPERATION

DSE-III

(Answer any 40 questions)

1. The component of capital market is :
 - (A) Treasury bill market
 - (B) Govt. securities market
 - (C) Commercial bill market
 - (D) Both (A) & (B)
2. Which of the following is a money market instrument :
 - (A) Bond
 - (B) Debenture
 - (C) Stock Certificate
 - (D) Certificate of deposit
3. Government bond is a :
 - (A) Short - term security
 - (B) Long - term security
 - (C) Medium - term security
 - (D) Either (A) or (B)
4. The major player in the Indian money market is :
 - (A) Co-operative banks
 - (B) Indigeneous banks
 - (C) Commercial banks
 - (D) RBI
5. Bills drawn & accepted payable after 3 months are called :
 - (A) Indigeneous bills
 - (B) USRNE bills
 - (C) Clean bills
 - (D) Supply bills
6. The market which helps commercial banks to maintain their SLR requirements is :
 - (A) Call loan market
 - (B) Discount market
 - (C) Acceptance market
 - (D) Commercial bill market
7. In which method, underwriting is done by a group of underwriters :
 - (A) Outright purchase method
 - (B) Consortium method
 - (C) Standing behind the issue method
 - (D) None the above
8. The method in which the brokers buy the securities outright with the intention of placing them with their clients afterwards is called :
 - (A) Placement
 - (B) Offer for sale
 - (C) Public issue
 - (D) None of these

9. Finalising the allotment of shares as per the basis approved by the stock exchange come under :
- (A) Pre-allotment work
 - (B) Allotment work
 - (C) Post- allotment work
 - (D) None of these
10. New issue market deal with _____ securities :
- (A) Old
 - (B) New
 - (C) Both (A) & (B)
 - (D) None of these
11. _____ is the process of writing securities for recording on a stock exchange.
- (A) Listing
 - (B) Merging
 - (C) Absorption
 - (D) Underwriting
12. An order to buy or sell without fixing any time limit or price limit is called :
- (A) At best order
 - (B) Limit order
 - (C) Open order
 - (D) Discretionary order
13. Which is the oldest stock exchange in India?
- (A) Bombay stock Exchange
 - (B) NSE
 - (C) OTCEI
 - (D) Madras stock Exchange
14. The trades pertaining to rolling settlement are settled on :
- (A) T + 2 days basis
 - (B) T + 1 basis
 - (C) T + 6 days basis
 - (D) T + 2 basis
15. What is the index for the stocks of mid- cap companies ?
- (A) S & P CNX Nifty
 - (B) CNX segment indices
 - (C) CNX midcap 200 index
 - (D) S & P CNX 500 equity index
16. A banker may sign share transfer forms on behalf of his customer in the capacity of _____ :
- (A) Trustee
 - (B) Agent
 - (C) Attorney
 - (D) Administrator
17. Providing a wide range of services, financial, technical, managerial etc. under one roof by a banker is called _____ :
- (A) Leasing
 - (B) Factoring
 - (C) Underwriting
 - (D) Merchant banking
18. Members of over the counter exchange of India (OTCEI) are _____ only.
- (A) Firms
 - (B) Corporates
 - (C) Both (A) & (B)
 - (D) None of these

19. A person appointed by a stock broker to assist him in the business of securities trading is called _____ .
- (A) Sub-broker
(B) Commission broker
(C) Authorised clerk
(D) Tarawaniwala
20. _____ is a professional independent broker who deals in securities on his own behalf :
- (A) Jobber
(B) Broker
(C) Lambe Ducks
(D) Stags
21. An order for the purchase of securities at a fixed price is known as :
- (A) Limit order
(B) Open order
(C) Discretionary order
(D) Stop loss order
22. Speculator who neither buy nor sell securities in the market, but still trade on them are called :
- (A) Wolves
(B) Stags
(C) Lambe Ducks
(D) Bears
23. The process of holding an entire supply of a particular security with a view to dictating terms is called :
- (A) Washsales
(B) Arbitrage
(C) Rigging the market
(D) Cornering
24. The device adopted to make profit out of the differences on prices of a security in two different markets is called :
- (A) Commission
(B) Brokerage
(C) Badla
(D) Arbitrage
25. The number of shares which are less than the market lot are called _____ .
- (A) Listing
(B) Cornering
(C) Odd lots
(D) Even lots
26. The NSE indices which are rebranded with _____ as prefix.
- (A) CNX
(B) Nifty
(C) S & P CNX Divi
(D) None of these
27. _____ market is a market for dealing in unlisted securities
- (A) Grey
(B) New issue
(C) Red
(D) None of these
28. The stock exchanges in India have to be recognised by the :
- (A) Concerned state Govt
(B) ICAI
(C) Govt of India
(D) None of these

29. Which institution provides financial services predominantly to low income borrowers.
- (A) NBFC- factors
 (B) NBFC-mfis
 (C) Chit funds
 (D) None of these
30. Which company is registered with only nominal shares?
- (A) mutual benefit co.
 (B) Iuans co.
 (C) investment co.
 (D) leasing co.
31. SEBI Act was passed in the year :
- (A) 1988
 (B) 1990
 (C) 1992
 (D) None of these
32. SEBI is an apex body to develop & regulate _____ market in India .
- (A) Money market
 (B) Capital market
 (C) Both (A) & (B)
 (D) None of these
33. SEBI has divided its activities into ____operational departments :
- (A) 4
 (B) 5
 (C) 6
 (D) 7
34. Chairman of SEBI appointed by ____ .
- (A) RBI
 (B) Supreme Court
 (C) Govt. of Maharashtra
 (D) Central Govt.
35. A new company which has not completed 12 months commercial production has to issue shares only at _____ .
- (A) Par
 (B) Premium
 (C) Discount
 (D) Any from
36. SEBI has powers to grant approval to _____ of stock exchanges.
- (A) Laws
 (B) Bye- ILWS
 (C) Code of conduct
 (D) None of these
37. Protection of _____ is the major responsibility of SEBI.
- (A) Creditors
 (B) Employees
 (C) Investors
 (D) Consumers
38. Subscription list for public issues should be kept open for a minimum of 3 days & a maximum of _____ working days.
- (A) 10
 (B) 15
 (C) 20
 (D) 30

39. As per SEBI guidelines, the allotments have to be made in multiples of tradeable lot of _____ shares of Rs. 10 each.
- (A) 50
(B) 100
(C) 120
(D) 150
40. As per SEBI guidelines the capital issue should be fully paid-up within _____ days.
- (A) 60
(B) 90
(C) 120
(D) 130
41. As per SEBI guidelines, if minimum subscription of _____% has not been received the entire amount is to be refunded to investors within 120 days.
- (A) 60
(B) 90
(C) 100
(D) 110
42. The important goal of the financial service industry is to mobilise & allocate _____.
- (A) Deposits
(B) Savings
(C) Capital
(D) All of these
43. Underwriting of shares by a financial intermediary is a kind of _____ activity.
- (A) Fund Based
(B) Fee Based
(C) both (A) & (B)
(D) None of these
44. The process of managing the sales ledger of a client by a financial service company is called _____.
- (A) Forfeiting
(B) Factoring
(C) Leasing
(D) Securitisation of debt
45. In financial lease, _____ bears the risk of obsolescence.
- (A) Lessor
(B) Lessee
(C) Both (A) & (B)
(D) None of these
46. Operating lease is :
- (A) A rental agreement
(B) An installment loan
(C) Non-cancellable
(D) None of these
47. Which type of lease is used for financing assets that require huge outlay ?
- (A) Sales & lease back
(B) Leverage lease
(C) Cross border lease
(D) Vendor leasing
48. In hire purchase, the possession is transferred to the buyer :
- (A) At the time of contract
(B) On the payment of last installment
(C) At the time of termination of the agreement
(D) None of these

49. Banks undertake hire purchase business :

- (A) Directly
- (B) Through subsidiaries
- (C) Both
- (D) None of these

50. In hire - purchase ownership transferred from the seller to the buyer .

- (A) On signing the agreement
- (B) On payment 1st installment
- (C) On payment of last installment
- (D) After one year

