

**PARUL UNIVERSITY**  
**FACULTY OF COMMERCE**

**B.Com. (Hons) Winter 2017 – 18 Examination**

Semester: III

Date: 22:12:2017

Subject Code: 16101203

Time: 10:30 am to 1:00 pm

Subject Name: Money Market and Capital Market

Total Marks: 60

**Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as directed.****A) Choose the correct option. (Each of one mark)****(06)**

- 1 Which of the following is not a financial instrument?
 

A) Treasury bill	B) Real estate
C) Mortgage loan	D) Equity Share
- 2 Financial instruments with maturities of less than one year are traded in the \_\_\_\_\_.
 

A) Equity Market	B) Capital Market
C) Money Market	D) Fixed-Income Market
- 3 Which of the following is a capital market instrument?
 

A) A certificate of deposit	B) A federal funds loan
C) Commercial paper	D) A Treasury bond
- 4 Which of the following is a major reason for the existence of financial intermediaries?
 

A) The existence of long-term financial instruments	B) Problems related to asymmetric information
C) The ability to borrow funds directly from savers	D) To avoid government regulation in other financial markets
- 5 Which of the following requires financial intermediaries?
 

A) Direct finance	B) Indirect finance
C) Direct purchase of retail goods	D) None of the above
- 6 Which of the following is a money market instrument?
 

A) A Treasury note	B) A federal funds loan
C) A corporate bond	D) A mortgage loan

**B) Write below Terms. (Each of one mark)****(06)**

1. FIMMDA, 2.FEDAI, 3.NCD, 4.FCCB, 5.QIB, 6.IDR

**Q.2 Answer the Following. (Each of 04 mark)****(12)**

- 1 How a basic structure of flow of funds in the economy can help in growth of economy?
- 2 Write a brief note on : Grievance Rederessal Mechanism at SEBI
- 3 Explain Underwriting in brief.

**Q.3 Answer the following. (Any Three) (Each of 06 mark)****(18)**

- 1 Write Brief note on: Foreign institutional Investors
- 2 Explain Venture capital in brief.
- 3 What is derivative market and how is it helpful in fund generation?
- 4 From where will you raise funds for short term? Explain at least two resources for short term fund raising.

**Q.4 Answer the following. (Any two)****(18)**

- 1 ADR and GDR are the best options of resource mobilization through international market: Justify
- 2 Write detailed note on SEBI.
- 3 How a lead manager is very important for an IPO issue? Also mention activities lead manager perform before and after IPO.