

Financial Markets

Question 1.

Treasury bills are also known as _____

- (a) Fixed interest Bonds
- (b) Low-Interest Bonds
- (c) Flat Rate Bonds
- (d) Zero-Coupon Bonds

▼ [Answer](#)

Answer: (d) Zero-Coupon Bonds

Question 2.

Which of the following is a method of floatation?

- (a) Offer for sale
- (b) Private Placement
- (c) Offer through the prospectus
- (d) All of the above

▼ [Answer](#)

Answer: (d) All of the above

Question 3.

Primary and secondary markets:

- (a) Control each other
- (b) Complement each other
- (c) Compete with each other
- (d) Function independently

▼ [Answer](#)

Answer: (b) Complement each other

Question 4.

The total number of Stock Exchanges in India is:

- (a) 22
- (b) 21
- (c) 23
- (d) 20

▼ [Answer](#)

Answer: (b) 21



Question 5.

Money market deals in _____

- (a) Long term Securities
- (b) Medium-term securities
- (c) Short term Securities
- (d) None of the above

▼ [Answer](#)

Answer: (c) Short term Securities

Question 6.

A Treasury Bill is basically:

- (a) An instrument to borrow short-term funds
- (b) An instrument to borrow long-term funds
- (c) An instrument of capital market
- (d) None of the above

▼ [Answer](#)

Answer: (a) An instrument to borrow short-term funds

Question 7.

What is meant by Demat Account?

- (a) Development Market Account
- (b) Depository Participant Account
- (c) Dematerialisation of Securities
- (d) Demand Depository Account

▼ [Answer](#)

Answer: (c) Dematerialisation of Securities

Question 8.

To be listed on OTCEI, the minimum capital requirement for a company is:

- (a) Rs. 10 crores
- (b) Rs. 3 crores
- (c) Rs. 25 crores
- (d) Rs. 5 crores

▼ [Answer](#)

Answer: (b) Rs. 3 crores

Question 9.

Clearing and settlement operations of NSE are carried out by:

- (a) NSDL



- (b) SBI
- (c) NSCCL
- (d) CDSL

▼ [Answer](#)

Answer: (c) NSCCL

Question 10.

Instruments traded in capital market are _____

- (a) Bonds
- (b) Equity Shares and Preference Shares
- (c) Debentures
- (d) All of the above

▼ [Answer](#)

Answer: (d) All of the above

Question 11.

OTCEI was started on the lines of:

- (a) NSE
- (b) NYSE
- (c) NASDAQ
- (d) NASAQ

▼ [Answer](#)

Answer: (c) NASDAQ

Question 12.

_____ is not a participant in money market

- (a) SEBI
- (b) NBFCs
- (c) RBI
- (d) Mutual Funds

▼ [Answer](#)

Answer: (a) SEBI

Question 13.

When a trade bill is accepted by a commercial bank, it is known as a _____

- (a) Certificate of deposit
- (b) Commercial Bill
- (c) Call money
- (d) None of the above



▼ [Answer](#)

Answer: (b) Commercial Bill

Question 14.

What type of instruments are traded in a Money Market?

- (a) Treasury bills
- (b) Commercial bills
- (c) Call money
- (d) All of the above

▼ [Answer](#)

Answer: (d) All of the above

Question 15.

Capital market deals in _____

- (a) Medium and long term securities
- (b) Very short term securities
- (c) Short term securities
- (d) None of the above

▼ [Answer](#)

Answer: (a) Medium and long term securities

Question 16.

What is the meaning of the right issue?

- (a) Company sells the securities to some selected institutions
- (b) Company offers new shares to its existing shareholders
- (c) Securities are not issued to existing shareholders at all
- (d) None of the above

▼ [Answer](#)

Answer: (b) Company offers new shares to its existing shareholders

Question 17.

_____ Market instruments enjoy a higher degree of liquidity

- (a) Both money and capital market
- (b) Money market
- (c) Capital market
- (d) None of the above

▼ [Answer](#)

Answer: (b) Money market

Question 18.

At present only two depositories are registered with SEBI _____

- (a) NSDL and HDFC
- (b) NSDL and CDSL
- (c) NSDL and ABSL
- (d) NEFT and TDS

▼ [Answer](#)

Answer: (b) NSDL and CDSL

Question 19.

Which of the following is not a part of the capital market?

- (a) Banks
- (b) Financial Institutions
- (c) Stock Exchanges
- (d) RBI

▼ [Answer](#)

Answer: (d) RBI

Question 20.

Securities Exchange Board of India (SEBI) was established in _____

- (a) 1992
- (b) 1956
- (c) 2001
- (d) 1984

▼ [Answer](#)

Answer: (a) 1992

Question 21.

A Treasury bill is an instrument of _____

- (a) Long term debt
- (b) Short term debt
- (c) Interest
- (d) Dividend

▼ [Answer](#)

Answer: (b) Short term debt

Question 22.

The settlement cycle in NSE is:

- (a) T + 2
- (b) T + 5



- (c) $T + 3$
- (d) $T + 1$

▼ [Answer](#)

Answer: (a) $T + 2$

Question 23.

Only institutional investors can participate in _____

- (a) Loan Market
- (b) Money Market
- (c) Foreign Market
- (d) Capital Market

▼ [Answer](#)

Answer: (b) Money Market
