Financial Markets

A	-
Question	
Question	т.

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

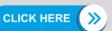
Question 4.

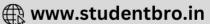
The total number of Stock Exchanges in India is:

- (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

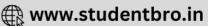
Answer: (b) Rs. 3 crores

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

Ouestion 17.

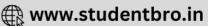
_ Market instruments enjoy a higher degree of liquidity

- (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

