

## FINANCIAL MARKETS AND OPERATIONS

### Multiple Choice Questions:

1. SEBI was established in the year-----.  
(a) 1992                      (b) 1988                      (c) 1990                      (d) 1989
2. SEBI Act was passed in -----.  
(a) 1988                      (b) 1990                      (c) 1991                      (d) 1992
3. The objectives of SEBI include -----.  
(a) To protect interests of inventors  
(b) To regulate securities market  
(c) To promote the development of the market  
(d) All of the above
4. The regulatory body for the securities market in India is -----.  
(a) RBI                      (b) SEBI                      (c) IRDA                      (d) Stock exchanges
5. Who appoints the chairman of SEBI?  
(a) Central government                      (b) Stock exchanges                      (c) Brokers                      (d) Investors
6. The administrative head office of SEBI is at -----.  
(a) New Delhi                      (b) Bombay                      (c) Kolkata                      (d) Chennai
7. SEBI has ----- regional offices.  
(a) 3                      (b) 4                      (c) 5                      (d) 7
8. The present chairman of SEBI is -----.  
(a) Ajay Tyagi                      (b) U.K. Sinha                      (c) C.B. Bhawe                      (d) Vijay C Kelkar
9. SEBI Ombudsman was introduced in -----.  
(a) 2000                      (b) 2002                      (c) 2003                      (d) 2005
10. SENSEX is the index of -----.  
(a) Bombay stock exchange                      (b) National stock exchange                      (c) Cochin stock exchange  
(d) None of these
11. The base year of Nifty is -----.  
(a) 1992                      (b) 1978                      (c) 1987                      (d) 1995
12. Bulls and bears are -----.  
(a) Ordinary investors                      (b) Government agencies                      (c) Speculators                      (d) Money lenders
13. A depository is -----.

- (a) An electronic transfer through dematerialization  
 (b) A fixed deposit in a bank  
 (c) A transfer of physical securities  
 (d) Surveillance on price manipulation
14. Listing is mandatory for -----.
- (a) Trading in stock market (b) Marketing a new issue  
 (c) Trading in international markets (d) Declaring dividend
15. A stock market index -----.
- (a) Shows trends in the market (b) Provides weights to shares  
 (c) Show the volume of trade in market (d) Shows transactions of shares
16. A lame duck is a -----.
- (a) bull who does not keep his promise (b) bear who cannot keep his commitments  
 (c) cautious speculator (d) premium hunter
17. Which of the following is a global stock market index?
- (a) OTCEI index (b) Nifty (c) Sensex (d) FTSE100
18. Which of the following is not a global stock market index?
- (a) DJIA (b) S&P 500 index (c) MCSI index (d) S& P CNX.
19. S&P CNX was introduced in -----.
- (a) 1996 (b) 1998 (c) 1986 (d) None of these
20. The base year of BSE Sensex is -----.
- (a) 1978-79 (b) 1979-80 (c) 1977-78 (d) None of these
21. The base year of CNX nifty junior is -----.
- (a) 1997 (b) 1996 (c) 1999 (d) 1995
22. The number of scrip's included in nifty junior is -----.
- (a) 40 (b) 50 (c) 30 (d) 100
23. CDSL is established in -----.
- (a) 2000 (b) 1999 (c) 1998 (d) 1997
24. Depositories Act is enacted in -----.
- (a) 1993 (b) 1998 (c) 1997 (d) 1996
25. The present rolling settlements cycle T+2 is introduced in -----.
- (a) 2003 (b) 2001 (c) 2000 (d) 2008

26. Group A consists of -----.
- (a) Cleared securities (B) Non- Cleared securities (c) Government securities (d) None of these.
27. Permanent removal of securities of a company from the stock exchange.
- (A) De-listing (b) Re- listing (c) Listing (d) None of these
28. The Nifty consists of -----.
- (a) 30 stocks (b) 25 stocks (c) 50 stocks (d) 100 stocks
29. A control system on excessive fluctuation in stock market prices is called-----.
- (a) Circuit breaker (b) Stock index (c) Depository (d) None of these
30. The numbers of recognized stock exchanges in India is -----.
- (a) 20 (b) 21 (c) 22 (d) 23
31. ----- is the market where the existing securities of companies are traded.
- (a) Primary market (b) Secondary market (c) Money market (d) None of these
32. ----- is the process of admitting securities for trading on a recognized stock exchange.
- (a) Issuing (b) Investing (c) Listing (d) None of these
33. Devise adopted to make profit out of the difference in prices of a security in two different markets is called -----.
- (a) Arbitrage (b) Margin trading (c) Call option (d) None of these
34. The number of store which is less than the standard unit is called -----.
- (a) Arbitrage (b) Margin trading (c) Odd lots (d) None of these
35. ----- is a professional independent broker who deals in securities on his own behalf.
- (a) Arbitrage (b) Jobber (c) Odd lots (d) None of these
36. A person appointed by a stock broker to assist him in the business of securities trading is called -----.
- (a) Sub broker (b) Tarawaniwalas (c) Authorized clerk (d) None of these
37. Speculators who neither buy nor sell securities in the market but still trade on them are called -----.
- (a) Wolves (b) Stags (c) Bears (d) None of these
38. The process of hedging the entire supply of a particular security with a view to dictating term is called -----.
- (a) Wash sale (b) Arbitrage (c) Cornering (d) None of these

39. Under depository system the allotment and credit of shares to the beneficiary amount should be completed within how many days from the date of an issue?  
(a) 15 days                      (b) 21 days                      (c) 7 days                      (d) 14 days
40. Member of stock exchanges is called -----.  
(a) Stock broker              (b) Investor                      (c) Issuer                      (d) None of these
41. ----- buy and sell securities on behalf of the investing public.  
(a) Arbitrage                      (b) Commission brokers              (c) Stock broker                      (d) None of these
42. ----- is the person who buys securities with a view to sell them in future at a profit.  
(a) Speculator                      (b) Issuer                      (c) Stock brokers                      (d) None of these
43. A person who sells the shares with the expectation of buying them in future at a reduced price.  
(a) Bull                      (b) Bear                      (c) Stag                      (d) None of these
44. In the Indian stock exchange a bull is known as -----.  
(a) Badla              (b) Tejiwala                      (c) Mandiwala                      (d) None of these
45. Risk involved in gambling is -----.  
(a) High                      (b) Low                      (c) Very high                      (d) None of these
46. The process of artificially increasing or decreasing the price is known as -----.  
(a) Price bond              (b) Price rigging              (c) Cover system              (d) None of these
47. An order for the purchase of securities of a fixed price is known as -----.  
(a) Limit order              (b) Open order                      (c) Stop loss order              (d) None of these
48. The electronic clearing and Depository system set up by the -----.  
(a) SGL              (b) SHCIL                      (c) HCL                      (d) None of these
49. National stock exchange operations are divided into ----- and capital market segment.  
(a) Whole sale debt market              (b) Money market              (c) Secondary market              (d) None of these
50. ----- is a market where unlisted securities are dealing.  
(a) Grey market                      (b) Kerb market                      (c) Capital markets                      (d) None of these
51. ----- is a barometer for market behavior.  
(a) Investment                      (b) Index                      (c) Arbitrage                      (d) None of these
52. ----- is a number which measures the change in a set of values over a period of time.  
(a) Index                      (b) Sample                      (c) Weightage                      (d) None of these

53. Securities of ----- companies are traded in secondary market.  
 (a) Listed (b) Relisted (c) Unlisted (d) None of these
54. Which of the following is considered as means off balance sheet financing?  
 (a) Derivation (b) Equities (c) Debts (d) None of these
55. An option exercised at the time of maturity it is termed as -----.  
 (a) American option (b) European option (c) Call options (d) None of these
56. An option exercised at any time, it is termed as -----.  
 (a) American option (b) European option (c) Call options (d) None of these
57. ----- options are contract where exercise price is equal to spot price.  
 (a) At the money (b) In the money (c) Out the money (d) None of these
58. ----- are called non-cleared securities.  
 (a) Group B share (b) Group A share (c) Group G shares (d) None of these
59. ----- includes government securities.  
 (a) Group B share (b) Group A share (c) Group G shares (d) None of these
60. ----- includes fixed income securities.  
 (a) Group A share (b) Group B share (c) Group F shares (d) Group G shares
61. ----- consists of scrips which are traded on trade to trade basis for market surveillance reasons.  
 (a) Group S share (b) Group T shares (c) Group F shares (d) Group G shares
62. ----- represents scrips forming part of the BSE Indonext segment.  
 (a) Group S share (b) Group T shares (c) Group F shares (d) Group G shares
63. ----- is the first depository in India.  
 (a) Central depository services India Ltd. (b) National securities depository Ltd.  
 (c) State of India depository services Ltd. (d) None of these
64. ----- is the second depository in India.  
 (a) Central depository services India Ltd. (b) National securities depository Ltd.  
 (c) State of India depository services Ltd. (d) None of these
65. ----- means eliminating the paper certificates and maintaining records in the form of electronic entries only.  
 (a) Dematerialization (b) Depository (c) Stock market index (d) None of these
66. A speculator expert's rise in price of a share is called -----.

- (a) Bull (b) Bear (c) Stag (d) Lame duck
67. A new index called ----- is developed by NSE.  
 (a) S&P CNX nifty (b) BSE 200 & DOLLEX 200 (c) BSEI PO Index (d) None of these
68. ----- is the process of converting physical paper share into demat share.  
 (a) Dematerialization (b) Depository (c) Dematerialization (d) None of these
69. QIP stands for -----.  
 (a) Qualified institutional placement (b) Qualified industrial placement  
 (c) Qualified investment placement (d) None of these
70. Futures and option are -----.  
 (a) Derivatives (b) Speculators (c) Money lenders (d) Ordinary investors
71. An offer document prepared for the purpose of QIP is called -----.  
 (a) Placement document (b) Speculation (c) Dematerialization (d) None of these
72. ----- deals with creation of new and improved financial products through innovative design or repackaging of existing financial instruments.  
 (a) Financial intermediation (b) Financial engineering (c) Financial instrumentation (d) None of the above
73. Bull and ----- are speculators.  
 (a) Bear (b) Cow (c) Lion (d) None of these
74. Computers are linked by satellite through ----- in NSE.  
 (a) VAST (b) SGL (c) SHCIL (d) None of these
75. Members of OTCEI are ----- only.  
 (a) Corporate (b) Derivatives (c) Speculators (d) None of these
76. ----- is a market for dealing in unlisted securities.  
 (a) Grey market (b) Kerb market (c) Capital market (d) None of these
77. The first stock exchange in India was started in -----.  
 (a) 1875 (b) 1885 (c) 1895 (d) 1865
78. A depository is an institution which transfers the ownership of securities in ----- mode.  
 (a) Electronic (b) Artificial (c) Analytical (d) None of these
79. Depository participant is the link between the ----- and the owner.  
 (a) Depository (b) Government (c) Corporate (d) None of these

80. ----- system reduces time for transfer for transfer of securities.  
 (a) Depository (b) government (c) Investment (d) None of these
81. Depository system leads to -----.  
 (a) Scrip less system (b) Online system (c) Offline system (d) None of these
82. An instrument which derives its value from an asset backing it is called -----.  
 (a) Derivatives (b) Depository (c) Documentation (d) None of these
83. ----- contracts are not at all standardized.  
 (a) Forward (b) Option (c) Swap (d) None of these
84. The trader who promises to buy in ----- contract is said to be in 'long position'.  
 (a) Forward (b) Option (c) Swap (d) None of these
85. In ----- contract the seller is referred to as a 'writer'.  
 (a) Forward (b) Option (c) Swap (d) None of these
86. Financial ----- are mainly used for hedging risk.  
 (a) Derivatives (b) Speculators (c) Investors (d) None of these
87. A combination of forwards by 2 counter-parties with opposite but matching need is called -----.  
 (a) Swap (b) Forward (c) Future (d) None of these
88. ----- contracts are standardized.  
 (a) Future (b) Forward (c) Swap (d) None of these
89. Agreed price of ----- contract is known as strike price.  
 (a) Future (b) Option (c) Swap (d) None of these
90. The pre- determined price at which an underlying asset has to be bought or sold is an option contract is called -----.  
 (a) Exercise price (b) Agreed price (c) Strike price (d) None of these
91. ----- gives the option holder a right to buy an underlying asset at an exercise price in future.  
 (a) Call option (b) Put option (c) Call and put (d) None of these
92. ----- is a contract for temporary exchange of obligation that each party has under its respective contract.  
 (a) Swap (b) Forward (b) Option (d) None of these
93. OTCEI stands for Over the Counter ----- of India.

- (a) Exchange            (b) Expand            (c) Extent            (c) None of these
94. CDSL stands for -----.
- (a) Central Depository Services Ltd. (b) Central Derivatives Services Ltd. (c) Central Derivatives System Ltd (d) Central Deposit System Ltd
95. National securities depository Ltd incorporated on -----.
- (a) December 12, 1995            (b) December 21, 1995            (c) December 21 1985  
(d) None of these
96. - ----- means the worth of shareholding.
- (a) Market capitalization    (b) market creation    (c) market specification    (d) none of these
97. ----- measured in dollar term.
- (a) S&P CNX nifty    (b)BSE SENSEX            (c) BSE 200 and DOLLEX 200    (d) none of these
98. ----- was introduced in Jan 1986.
- (a) BSE SENSEX    (b)S &P CNX nifty    (c) BSE 200 and DOLLEX    (d) none of these
99. ----- refers to permanent removal of securities of a listed company from a stock exchange.
- (a) Compulsory de listing    (b) Voluntary delisting    (c) Listing            (d) Relisting
100. In -----, a listed company decides on its own to permanently remove its securities from a stock exchange.
- (a) Compulsory delisting            (b) Voluntary delisting            (c) Relisting            (d) Listing
101. Most of the speculative purchases are made on the basis of -----.
- (a) Margin trading            (b) Arbitrage            (c) Wash sale            (d) none of these
102. ----- is the fictitious transaction.
- (a) Margin trading            (b) Arbitrage            (c) Wash sale            (d) none of these
103. ----- means artificially pushing up the market price of a particular security.
- (A) Rigging            (b) Cornering            (c) Margin trading            (d) none of these
104. Rigging activity is carried on by the ----- speculators.
- (a) Bull            (b) Swap            (c) Bear            (d) Lame duck
105. ----- is highly specialized and skilled speculative activity.
- (a) Margin trading            (b) Arbitrage            (c) Wash sale            (d) none of these
106. National securities clearing corporation Ltd. established in -----.
- (a) 1994            (b) 1995            (c) 1996            (d) 1998



107. National securities clearing corporation Ltd established in -----.
- (a) 1995            (b) 1996            (c) 1997            (d) 1998
108. National Securities Depository Ltd established in -----.
- (a) 1995            (b) 1996            (c) 1997            (d) 1998
109. OTCEI was incorporated in -----.
- (a) 1990            (b) 1991            (c) 1992            (d) 1993
110. The number of de-organized stock exchanges in India.
- (a) 4                (b) 5                (c) 6                (d) None of these
111. National stock exchange of India situated at -----.
- (a) Bangalore            (b) Hyderabad            (c) Bombay            (d) None of these
112. All activities related to finance and organized into a system called -----.
- (a) Capital market            (b) Money market            (c) Financial system            (d) open market
113. ----- is termed as the lifeblood of a firm.
- (a) Employee            (b) Finance            (c) Management            (d) Technology
114. ----- refers to the activity of transforming savings into investment.
- (a) Resource development            (b) Capital formation            (c) Credit syndication            (d) None of these
115. ----- can be defined as activities, benefits and satisfactions connected with the sale of money that offer to users and customers, financial related value.
- (a) Money market            (b) Stock exchange            (c) Financial services            (d) Financial management
116. The ratio of financial assets is ----- of economic growth.
- (a) an indicator            (b) the market value            (c) the basis            (d) the prestige value
117. Capital market is a market for ----- capital.
- (a) Long term capital            (b) Short term capital            (c) Working capital            (d) Fixed capital
118. SEBI stands for -----.
- (a) Securities Exchange Board of India (b) Stock Exchange Board of India (c) Securities and Exchange Board of India (d) Stock Earn Board of India
119. Equity shares are the ----- shares of a limited company
- (a) Voting            (b) Ordinary            (c) Limited            (d) Unlimited
120. Equity shares and preference shares are ownership securities, also known as -----.
- (a) Debt capital            (b) Capital stock            (c) Fixed capital            (d) Capital issue

121. Bonds, debentures etc. are creditor ship securities, also known as -----.

- (a) Debt capital            (b) Capital stock      (c) Working capital      (d) Capital issue

122. Equity shares with detachable warrants will enable the warrant holder to apply for specified number of ----- at determined price.

- (a) Preference shares      (b) Equity shares      (c) Bonds                  (d) Debentures

123. ----- are equity shares issued by the company to employees or directors at a discount or for consideration other than cash.

- (a) Derivatives    (b) Securitized instruments    (c) Sweat equity shares    (d) detachable warrants

124. The companies Act (Sec. 85) describes preference shares as those which carry a ----- right to payment of dividend during the life time of the company.

- (a) Dividend            (b) Interest            (c) Preferential            (d) Priority

125. Convertible preference shares can be converted to equity shares at the option of the holder, so these shares are also known as -----.

- (a) Conversion of preference shares      (b) Quasi equity shares      (c) fully convertible preference shares      (d) Participating preference shares

126. Debenture is a ----- instrument issued by the company with a promise to pay interest and repay the principal on maturity.

- (a) Credit                  (b) Debt                  (c) Cash                  (d) Negotiable

127. Government bonds are fixed income debt instruments issued by the ----- to finance their capital requirements or developments projects.

128. ----- issued by the central government or state governments are referred to as government securities.

- (a) Instruments                  (b) Securities                  (c) Bonds                  (d) Shares

129. Government securities are also called ----- because of the safety and security of investments made in them and regularity of return.

- (a) Gift-edged securities    (b) Long term securities    (c) Short term securities    (d) Investments

130. Government securities are issued through ----- of RBI.

- (a) Public debt office                  (b) SEBI                  (c) DFHI                  (d) Stock exchange

131. ----- issued by a foreign entity, such as bank or company, but is issued and traded in the United States and denominated in U.S. dollars.

- (a) Bonds                  (b) GDR                  (c) IDR                  (d) Yankee bonds

132. RBI established ----- in 1988 to perform the money market operations on its behalf.

- (a) SEBI                      (b) RBI office                      (c) DFHI                      (d) SBI

133. ----- is a unsecured promissory note issued with a fixed maturity, by a company, and approved by RBI, maturity from 7 days to one year, issued at a discount on the face value.

- (a) Certificate of Deposits   (b) Treasury bill   (c) Commercial Bills   (d) Commercial papers

134. A repurchase agreement, the repurchase price will be greater than the original sale price, the difference effectively representing interest, known as -----.

- (a) Interest rate                      (b) Repo rate                      (c) Repo charge                      (d) Repo commission

135. SGL stands for -----.

- (a) Subsidiary General Ledger   (b) Sub General Ledger   (c) Subsidiary General Loan   (d) Subsidiary g-loan.

136. SEBI was given a statutory status in the year of ----- by an act of parliament.

- (a) 1992                                      (b) 1988                                      (c) 1993                                      (d) 1991

137. ----- is the trading of securities of a company by individuals who are in some way connected with the company and has to non-public price sensitive information about the company.

- (a) Speculative trading                      (b) Hedging                      (c) Insider trading                      (d) Internal trading

138. MAPIN stands for Market Participant -----.

- (a) Individual Number                      (b) Identification                      (c) Institutions                      (d) None of these

139. NBFCs stands for -----.

- (a) Non Banking Fund Company                      (b) Non-Banking Financial Companies                      (c) Non Banking Finance Council                      (d) None of these

140. ----- is an independent body to assist the regulators in framing and administering regulating in the capital market. E.g. Finance industry development council.

- (a) SNO                                      (b) SRO                                      (c) RBI                                      (d) SEBI

141. Origination, underwriting and distribution are the 3 main services of ----- market.

- (a) Capital market                      (b) Secondary market                      (c) SEBI                      (d) Primary market

142. IPO stands for -----.

- (a) Initial Public Offer (b) Initial Public Offering (c) Individual Public offer (d) none of these
143. ----- means an option of allotting equity shares in excess of the equity shares offered in the public issue as a post-listing price stabilising mechanism.
- (a) GSP (b) SRO (c) Green shoe option (d) None of these
144. Bonus issue is the issue of shares to ----- out of the free reserves of the company.
- (a) Existing shareholders (b) New shareholders (c) None of these (d) All of them
145. ESOP stands for-----.
- (a) Employers Stock Option Plan (b) Employees Stock Option Plan (c) Employees Stock Option Premium (d) Employees Stock Ownership Plan
146. Underwriters charge a commission for their service which is known as -----.
- (a) Commission (b) Penalty (c) Underwriting charge (d) Underwriting commission
147. Stock broker means a member of a -----.
- (a) SEBI (b) RBI (c) SBI (d) Stock exchange
148. Net Tangible assets means all net assets excluding ----- assets.
- (a) Tangible assets (b) Intangible assets (c) Total assets (d) None of these
149. Market makers are intermediaries appointed by ----- to sell or buy its securities at any time as per agreed contract.
- (a) RBI (b) Stock exchange (c) Company (d) None of these
150. QIB stands for -----.
- (a) Qualified Institutional Buyer (b) Qualified Institutional Bonds (c) Qualified Information for Buyers (d) All of these
151. Shares can be distributed through outright sale by companies to select group of persons, this is known as -----.
- (a) Public issue (b) Private placement (c) Institutions (d) Underwriting
152. Market for borrowing and lending short term funds is called -----.
- (a) Money market (b) Capital market (c) Derivative market (d) Forex market
153. Who controls money market?
- (a) RBI (b) SBI (c) DFHI (d) SIDBI
154. Which of the following markets help RBI in implementing its monetary policies?
- (a) Money market (b) Capital market (c) Forex market (d) Debt market

155. Which of the following debt instrument is issued by large credit worthy companies as a means for financing their working capital needs?  
(a) CP (b) CD (c) IBPC (d) Commercial bills
156. Money market deals with:  
(a) Short term funds (b) Long term funds (c) Ownership funds (d) Credit rating
157. What is the minimum issue size of commercial papers?  
(a) 10 lakh (b) 5 Lakh (c) 5crore (d) 2 lakh
158. Certificate of deposits were introduced in the Indian market in -----.  
(a) 1989 (b) 1990 (c) 1991 (d) 1988
159. The maturity period of CDs issued by banks varies from -----.  
(a) 7 days to 1 year (b) 7 days to 3 years (c) 1 day to 1 year (d) 1 and 3 years
160. An instrument to fund the short term needs of banks through inter-bank participation.  
(a) CDs (b) Inter Bank Repo (c) CPs (d) IBPCs
161. The CRISIL rating needed for corporates to issue a commercial paper.  
(a) CRISIL P-1 (b) CRISIL P-2 (c) CRISIL P-3 (d) None of these
162. An important money market is instrument by the government to bridge the deficit between the revenue and expenditure in the budget.  
(a) T-bills (b) Bonds (c) CDs (d) CPs
163. A loan for very short period is called -----.  
(a) Call loans (b) cash loans (c) T-bills (d) None of these
164. A market for borrowing / lending of funds for a period of one day to 14 days.  
(a) Term money market (b) Call money market (c) Commercial bills market (d) None of these
165. GSO stands for -----.  
(a) Golden shoe option (b) Green shoe option (c) Green stock option (d) None of these
166. Issue of equity shares to QIBs on private placement basis is called -----.  
(a) Qualified institutions placement (b) Preferential placement (c) Initial public offer (d) None of these
167. Issue of shares to the existing shareholders out of the free reserves of the company is called -----.  
(a) Bonus issue (b) Right issue (c) ESOP (d) SWEAT equity
168. A pricing mechanism for new issues based on assessment of market demand.

(a) Book building (b) Green shoe option (c) Fixed price issue (d) None of these

169. QIP stands for -----.

(a) Qualified Institutional Placement

(b) Qualified Investment Placement

(c) Qualified Investor Placement

(d) Qualified Institutional Players

170. Public issue means IPO and -----.

(a) ESOP (b) Rights issue (c) Bonus issue (d) FPO

171. FPO and IPO can be either a fresh issue or -----.

(a) Offer for sale (b) Offer of sale (c) Private placement (d) None of these

172. According to Companies Act, an issue becomes public if it is an allotment to more than ----- persons.

(a) 49 (b) 51 (c) 50 (d) None of these

173. An offer of securities to the public for the first time by an utilized issuer is called -----.

(a) FPO (b) IPO (c) DPO (d) None of these

174. A fresh issue or offer for sale of securities made by a listed company to the public is called -----.

(a) FPO (b) IPO (c) DPO (d) None of these

175. A market for borrowing and lending funds for a period exceeding 14 days.

(a) Term money market (b) Call money market (c) Commercial bill market (d) None of these

176. An offer document in case of a public issue is -----.

(a) Prospectus (b) Red herring prospectus (c) Letter of offer (d) None of these

177. A prospectus which does not have details of either price or number of shares offer or the amount of issue.

(a) Red herring prospectus (b) Statement in lieu of prospectus (c) Shelf prospectus (d) None of these

178. An investor who applies or bids for securities for a value not more than Rs.2 lakh.

(a) Retail individual investor (b) Qualified institutional buyer (c) Non- institutional investor (d) None of these

179. Which of the following is not a QIB?

(a) Mutual funds (b) Foreign institutional investors (c) Retail individual investor (d) Scheduled commercial banks

180. The time limit for allotting securities from the date of closure of the issue is -----.

(a) 15 days (b) 30 days (c) 45 days (d) None of these

181. In case of a book built issue, the allocation to retail investor should not be -----.

(a) Less than 35% (b) More than 35% (c) Less than 10% (d) None of these

182. A security used by RBI to adjust liquidity in the financial system is called -----.

(a) REPO (b) CDs (c) CPs (d) TBs

183. An unsecured loan extended by one corporate to another is called -----.

(a) IBPCs (b) Commercial bills (c) CDs (d) ICDs

184. Bonds issue at a discount and redeemed prior to its maturity is called -----.

(a) Mortgage bonds (b) Zero coupon bonds (c) Convertible bonds (d) None of these

185. A bond that can be redeemed prior to its maturity is called -----.

(a) Callable bonds (b) Option bonds (c) Step-up bonds (d) Non-callable bonds

186. Bonds where interest rate is a fixed percentage over the whole sale price index is called -----.

(a) Capital index bonds (b) Fixed rate bonds (c) Step-down bonds (d) None of these

187. ----- can be referred to as merchant bankers to Government of India.

(a) Primary dealers (b) RBI (c) Satellite dealers (d) None of these

188. The equity shares issued by a company to its employees or directors are called -----.

(a) SWEAT Equity (b) Non-voting shares (c) Equity shares (d) Preference shares

189. MMMF stands for -----.

(a) Money Market Mutual Funds (b) Monetary Market Mutual Funds

(c) Money Medium Mutual Funds (d) None of these

190. Sale of securities together with an agreement by the seller to buy back the securities at a later date.

(a) REPOs (b) CBLO (c) ICDs (d) CDs.

191. Insider trading means -----.

(a) Purchase of securities by owners of the company

(b) Taking advantage of internal price sensitive information for trading

(c) Trade for purchase of shares only by employees

- (d) Investors sell their financial paper to relatives of the firms.
192. The fraudulent and unfair trade practices relating to securities market regulation in 2003 was passed to prohibit -----.
- (a) Insider trading practices  
(b) Brokers from illegal trading  
(c) Foreign institutional investors in the market  
(d) Manipulation of prices and misleading statements.
193. ----- mutual fund investment instruments deal with units that are purchased or redeemed throughout the year.
- (a) Open ended      (b) Close ended      (c) Income fund      (d) Growth fund
194. ----- mutual fund investment instruments deal with units that can be purchased during initial period only and redeemed on a specific maturity date.
- (a) Open ended      (b) Close ended      (c) Income fund      (d) Growth fund
195. Purchase or redemption of open ended mutual funds are done at persisting -----.
- (a) Market Value      (b) Net Asset Value      (c) Investment Value      (d) None of these
196. The mutual fund scheme that provides capital appreciation through investing their money majorly in equity stocks is called -----.
- (a) Growth fund      (b) Income fund      (c) Liquid fund      (d) Fund of fund
197. The mutual fund scheme in which the investor investing their money majorly in fixed income instruments such as debentures, bonds etc. is called -----.
- (b) Growth fund      (b) Income fund      (c) Liquid fund      (d) Fund of fund
198. ELSS stands for -----.
- (a) Enterprise Linked Saving Scheme  
(b) Equity Linked Savings Scheme  
(c) Equity Linking Savings System  
(d) Entrepreneurs Linking Savings System
199. Equity Linked Savings Scheme has a minimum lock in period of -----.
- (a) 1 year      (b) 2 years      (c) 3 years      (d) 5 years
200. The regulatory body of mutual funds in India is -----.
- (a) RBI      (b) SEBI      (c) IRDA      (d) Government



**ANSWERS:**

1. 1988
2. 1992
3. All of the above
4. SEBI
5. Central Govt.
6. Bombay
7. 4
8. Ajay Tyagi
9. 2003
10. Bombay stock exchange
11. 1995
12. Speculators
13. An electronic transfer through dematerialization
14. Trading in stock market
15. Shows trends in market
16. is a bear who cannot keep his commitment
17. FTSE 100
18. S&P CNX nifty
19. 1996
20. 1978-79
21. 1996
22. 50
23. 1999
24. 1996
25. 2003
26. Cleared securities
27. Delisting
28. 50 stocks
29. Circuit breaker
30. 21
31. Secondary market
32. listing
33. Arbitrage
34. oddlots
35. jobber
36. Authorised clerk
37. Stags
38. Cornering
39. 21 days

40. stock broker
41. commission brokers
42. Speculator
43. Bear
44. Tejiwala
45. very high
46. Price rigging
47. Limit order
48. SHCIL
49. wholesale
50. Grey market
51. Index
52. Index
53. Listed
54. Derivatives
55. European option
56. American option
57. At the money
58. Group B shares
59. Group G shares
60. Group F shares
61. Group T shares
62. Group S share
63. National securities depository Ltd.
64. Central depository services India Ltd.
65. Dematerialization
66. Bull
67. S&P CNX nifty
68. Dematerialization
69. Qualified institutional placement
70. Derivation
71. Placement document
72. Financial engineering
73. Bear
74. VSAT
75. Corporates
76. Grey market
77. 1875
78. Electronic mode
79. Depository
80. Depository

81. Scrip less system
82. Derivatives
83. forward
84. forward
85. option
86. Derivation
87. SWAP
88. Future
89. future
90. Exercise price
91. put option
92. Swaps
93. Exchange
94. Central depository services Ltd.
95. December 12, 1995
96. market capitalization
97. C&P CNX nifty
98. BSE SENSEX
99. Compulsory delisting
100. Voluntrydelisting
101. Margin trading
102. Wash sale
103. Rigging
104. Bull
105. Arbitrageurs
106. 1994
107. 1995
108. 1996
109. 1990
110. 4
111. Bombay
112. Financial system
113. Finance
114. Capital formation
115. Financial services
116. an indicator
117. longterm capital
118. Securities and Exchange Board of India
119. ordinary
120. Capital Stock
121. debt capital

122. equity shares  
123. sweet equity shares  
124. preferential  
125. quasi equity shares  
126. debt  
127. government  
128. securities  
129. Gift-edged securities  
130. Public debt office  
131. Yankee bonds  
132. DFHI  
133. Commercial papers  
134. Repo rate  
135. Subsidiary General Ledger  
136. 1992  
137. Insider trading  
138. Identification  
139. Non-Banking Financial Companies  
140. SRO  
141. Primary market  
142. Initial Public Offering  
143. Green shoe option  
144. Existing shareholders  
145. Employees Stock Option Plan  
146. Underwriting commission  
147. Stock exchange  
148. Intangible assets  
149. Stock exchange  
150. Qualified Institutional Buyer  
151. Private placement  
152. Money market  
153. RBI  
154. Money market  
155. CP  
156. Short term funds  
157. Rs. 5 lakh  
158. 1989  
159. 7 days to 1 year  
160. IBPCs  
161. CRISIL P-2

162. T-Bills
163. Call loans
164. Call money market
165. Green Shoe Option
166. Qualified Institutions placement
167. Bonus Issue
168. Book Building
169. Qualified Institutional Placement
170. FPO
171. Offer for sale
172. .5
173. IPO
174. FPO
175. Term money market
176. Prospectus
177. Statement in lieu of prospectus
178. Retail Individual Investor
179. Retail Individual Investor
180. 30 days
181. more than 35%
182. TBs
183. ICDs
184. Zero Coupon bond
185. Callable bonds
186. Capital Indexed bonds
187. Primary Dealers
188. SWEAT Equity
189. Money Market Mutual Funds
190. REPOs
191. Taking advantage of internal price sensitive information for trading
192. Manipulation of prices and misleading statements
193. Open ended
194. Close ended
195. Net Asset Value
196. Growth fund
197. Income fund
198. Equity Linked Savings Scheme
199. 3 years
200. SEBI

