

MAHATMA GANDHI UNIVERSITY

BA Economics 6TH SEMESTER

EC6CRT13

Money & Financial Markets

- -----is called banker's bank
 - RBI b. SBI c. Federal Bank d. ICICI bank
- Which of the following is not a commercial bank
 - IOB b. SBI c. RBI d. Canara Bank
-is known as lender of last resort
 - Government b. NBFIs c. Commercial Banks d. Central bank

4. Time deposit otherwise called...

- a. saving deposit b. deposit multiplier c. current deposit d. fixed deposit

5. Deposit does not get interest

- a. saving bank b. current account c. fixed deposit d. none of these

6.is not a primary function of bank

- a. accepting deposit b. giving loans c. creating credit d. general utility function

7.is a fixed interest yielding security

- a. shares b. bonds c. mutual funds d. treasury bills

8. Market for short term funds is called...

- Money market b. capital market c. derived market d. share market

9. Market for long term funds is called..

- a. call money market b. money market c. capital market d. buyers market

10..... Is the oldest stock exchange in India

- BSE b. NSE c. OTCEI d. Cochin stock Exchange

11. In which year RBI was established?

- a. 1947 b. 1950 c. 1935 d. 1949

12. Full form of SEBI

- a. Securities Entering Business in India b. Stock Exchange Board of India c. Spices Exchange Board of India d. None of these

13. SEBI was established in the year

- a. 1988 b. 1990 c. 1995 d. 2000

14. Capital market is controlled by.....

- a. RBI b. AMC c. stock exchange d. SEBI

15. Money market is controlled by

- a. RBI b. SBI c. stock exchange d. SEBI

16. Government securities are otherwise called

- a. Gilt Edged Securities b. debentures c. Commercial paper d. Bill of Exchange

17. Which of the following is not a feature of Indian Money market?

- a. presence unorganised sectors b. seasonal stringency of money c. d.

18 NPA means....

- Non -Permanent Asset b. National Preference Asset c. Non- Performing asset d. National Performance Asset

19. Type of asset have low risk

- a. Standard b. Doubtful c. sub-standard d. Any of these

20. A market in which securities up to a year traded are called...

- a. bond market b. share market c. equities market d. none of these

21..... Is the most liquid asset

- Property b. share c. commercial bill d. money

22. Profitability of bank is associated with..

- a. low risk b. high risk c. medium risk d. no relation between risk and profitability

23. Commercial bill market is a part of

a. organised money market . b. unorganised money market. C. capital market d. none of these

24. Government securities with more than one year is called

• Bond b. treasury bills c. promissory notes d. none of these

25. Which of the following is not a money market instrument ?

a. call money b. treasury bill c. commercial bills d. debentures

26. The pricing method of new securities on the basis of demand is known as ...

a. De-mat b. call money c. underwriting d. book -building

27. An offer of securities to the public for the first time by an unlisted issue is called..

a. FPO b. BPO c. IPO d. None of these

28. Which of the following is not a non-banking financial intermediary

a. post office savings bank b. mutual funds c. commercial banks d. LIC

29. SEBI became a statutory body in ..

a. 1992 b. 1998 c. 1991 d. none of the above

30. South Indian Bank is a...

• Commercial bank b. private sector bank c. scheduled bank d. non-scheduled bank

31. Bank rate refers to ...

a. the rate at which central bank rediscounts first class bills b. the SLR c. qualitative instrument
d. rate of interest charged by the private sector bank.

32. The central monetary authority of India is ...

a. Finance ministry b. NITI ayog c. Reserve Bank of India d. SBI

33. Promissory notes are instruments of ..

a. money market b. capital market c. LIC d. GIC

34. Banking belongs to ..

a. primary sector b. secondary sector c. tertiary sector d. all of these

35. Which of the following is a qualitative credit control policy

a. bank rate b. open market operations c. reserve ratio d. credit rationing

36. Credit is created by..

a. SBI b. insurance companies c. government d. commercial bank

37. Banks giving loans to industries and development purpose is called ...

a. development finance b. regional finance c. loan market d. marketization

38..... Is an ownership of security

- Bond b. debenture c. equities d any of these

39. The shortest duration financial instrument is ...

a. call money b. commercial bill c. T-bill debenture

40. Insurance companies are regulated in India by...

a. AMFI b. RBI c. Stock exchange d. IRDA

41. Which of the following is investment in stock market through pooled fund of small savers...

a. Pension funds b. EPF c. Mutual fund d. insurance

42. The ratio of money supply to high powered money is called..

a. SLR b. CRR .money multiplier d. base rate

43. M1 plus net time deposits of banks...

a. M1 b. M2 c. M3 d. M4

44. New Issue market is otherwise called....

a. primary market b. secondary market c. capital market d. call market

45. Secondary market is otherwise called...

a. new issue market b. insurance market c. additional market d. stock exchange

46.....is a credit ship security

- Bonds b. preference shares c. equity shares

47.... Are the ordinary shares of a limited company

- Preference shares b. equity shares c. blue chip shares d. right shares

48.....is a guarantee that the shares of a company will be marketed and proposed project will be financed

- Licensing b. agency service c. underwriting d. none of these

49. Public issue consist of IPO and

a. FPO b. IMO c. MPO d. FMO

50. Subsequent public offer of securities of a listed company is called ...

a. IPO b. FPO c. listing e. none of these

51 In aeconomy, all transactions are carried out different types of payment methods without the physical use of money.

• Agrarian b. industrialised c. cashless d. cash

52. which of the following is not a digital payment?

a. USSD b. AEPS c. UPI d. CSR

53. Full form of USSD is...

a. Unaccounted System Stand Data b. Unstructured supplementary service data unaccounted structured System Data . none of these

54. AEPS means...

a. Aadhar Enabled payment System b. AadharEntry Payment System c. Aadhar Enter Pay system. None of these

55. UPI means.....

a. Unified Payments Interface b. unity payment system c. Unique payment system d. Unique Pass India

56. BHIM app is a....

a. prepayment system b. digital payment system c. money back system d. insurance app

56. Paytm is an example of

a. digital payment b. current payment c. mobile banking d. united inia

57. Gift cards is an example of ... payment

a. closed system b. semi-closed system c. semi-open d. open system

58. The deposit multiplier is inverse of ...

a. reserve requirements ratio b. credit ratio c. investment multiplier d. any of the above

59. Full form of RTGS is ...

a. Real term gross system b. Real time gross settlement c. Real time gross savings d none of these

60. NEFT was launched on....

a. 2000 b. 2005 c. 2008 d. 2016

61. The ease with which banks assets could be converted in to cash is called...

a. profitability b. liquidity c. solvency d. adequacy

62. SENSEX is an index of

a. Bombay Stock Exchange b. National Stock Exchange c. OTCEI d. Calcutta stock exchange

63. NIFTY is an index of.....

a. Bombay Stock Exchange b. National Stock Exchange c. OTCEI d. Calcutta stock exchange

64..... is a market for sale and purchase of short term government securities

a. commercial bill market b. treasury bill market c. CDS d. CPs

65. Bill market in India is....

a. developed one b. under developed one c. organised one d. none of these

66. "Money is what money does" – who said?

a. Crowther b. Robertson c. Walker d. Marshall

67. Direct exchange of goods against goods is called.....

a. Money b. Barter c. digital system d. None of these

68. What possess general acceptability?

a. Bank draft b. Money c. Bill of exchange d. None of these

69. Which type of deposits gives highest rate of interest?

a. Current deposit b. Fixed deposit c. Recurring deposit d. saving deposit

70. Which of the following is not the function of the commercial bank?

a. Issue of paper notes b. Acceptance of deposits c. Advancing loans d. none of these

71. Which of the following is not near money?

a. Paper notes b. Treasury bill c. Bond d. Bill of exchange

72. Which bank is called lender of last resort?

a. Commercial bank b. Scheduled banks c. private banks d. central bank

73. Which bank enjoys monopoly power of Note issue?

a. Commercial bank b. RRBs c. NABARD d. central bank

74. For which function, money is accepted as unit of account?

a. Medium of exchange b. Measure of value c. Standard of deferred payment d. Store of value

75. 'Banks' in monetary aggregates

a. include co-operative banks. b include only commercial banks. C.do not include the RRBs d. include NABARD

76.Currency in Circulation is a part of

a. M0. b M1. C.M2 d. M3.

77. The difference between M2 and M4 is.....

a.M2 plus FD b. m2 plus Investment c. M2 plus total post office saving deposits d. any of the these

78.Call money ...

- is borrowed by Non-banks from banks. b.is unavailable in unorganized money market. c. is d.primarily lent by commercial banks. d. is taken by private sector banks

79.Gilt-edged market

a.deals with industrial securities. B. deals with government securities d.is a market for foreign exchange d. any of these

80. SLR reserves of scheduled banks

a. are kept with the RBI. b can be partly held in current accounts of other banks. c. are maintained on a weekly basis d. none of these

81. Selective Credit Control methods means...

a. quantitative methods b. qualitative methods c. include SLR d. include bank rate

82.The number of times a unit of money exchanges hands during a unit period of time is known as...

a. velocity of circulation of money b. speed of circulation of money c. momentum of circulation of money d. count of circulation of money

83.Currency notes and coins are called as:

a. near money b. Legal tenders c. Fiat money d. any of these

84.In the terminology of economics and money demand, the terms M1 is also known as

a. money base b. digital money c. Broad money d. Narrow money

85.In the terminology of economics and money demand, the terms M3 is also known as ...

a. money base b. digital money c. Broad money d. Narrow money

86.What is the Cash Reserve Ratio (CRR)?

a.the fraction of the deposits that commercial banks lend to the customers b.the fraction of the deposits that RBI must keep with commercial banks c. the fraction of the deposits that commercial banks must keep with RBI d. none of the above

87.Which property the paper money does not possess:

- acceptability b. divisibility c. durability d.portability

88. which will promote savings...

a. increase in credit facilities b. increase in taxation c. increase in disposable income d. none of these

89. Treasury Bill is a document used for...

a. short term loan for consumers b. short term loan to government c. long term loan to consumers d. long term loan to government

90. Deposits in bank accounts withdrawn on demand are called..

a.fixed deposits b. recurring deposits c. demand deposits d.none of these

91.Major portion of the deposits is used by banks for....

a. setting up new branches b. paying taxes c.paying interest on loans d. extending loans

92.Marketable securities are primarily..

a.short-term debt instruments b.short-term equity securities c.long-term debt instruments d.long-term equity securities

93. One of the items is not related with e-banking

a.Demand draft b. ATM B. credit card d.ESA

94.What is OTP in credit card transaction?

a. Odd Transaction Password b. Owner is Trading Pass code c. One Time Password d.none of these

95.Stocks or shares that are sold to investors without transacting through financial institutions are classified as...

a.direct transfer b.indirect transfer c.global transfer d.single transfer

96.Institutions deal in financial functions and protects corporations and individuals against accidents, theft and death are considered as....

a.penalty companies b.insurance companies c. mutual funds d.venture funds

97.Minimum period of a Certificate of Deposit is :

a. 15 days b. 30 days c. 10 days d. 7 days

98.A customer has been defined in :

a. Banking Regulation Act b.Negotiable Instruments Act c.Anti-Money Laundering Act d. KYC guidelines

99.The BSE Sensex consists of a basket of stocks.

a.50b. 100 c. 30 d. 66

100.The minimum maturity period for Commercial Paper (CP) is..... days.

a. 14 b. 30 c. 45 d. 7

101.A primary market is one in which ..

a. newly printed money is transferred to the banks b. money market dealers make their most important trades c. the Bank that conducts monetary policy for a country d. financial assets are traded for the first time.

102.The money market is for the trading ofinstruments while the capital market is whereinstruments are traded.

a. bonds, Treasury-bills b. long-term, short-term c. cash, tangible d.short-term, long-term

103.The UPI is a payment service which has been developed by.....

a.BIS b. NPCIc.SWIFTd.none of these

104.What does the letter 'P' stand for in the term AEPS ?

a. Payment b. Processing c. Procurementd. Punching

105The IFSC is an 11-digit alpha-numeric code that uniquely identifies a bank branch. The term IFSC means...

a.Indian Forwarding System Codeb.Indian Fiduciary System Codec.Indian Financial System Code
d.None of these.

106. Which of the following is a not Non Banking Financial institution

a) UTI b) LIC c) SEBI d)GIC

107. Which of the following is not a money market instrument?

a) Commercial Bills b) Certificate of Deposits
c) Gilt Edged Securities d) Treasury Bills.

108. Which of the following is a not Non Banking Statutory Financial Organisation

a) IRDA b) IFCI c) NABARD d) UTI

109. Money Market Mutual Fund Scheme was introduced in:

a) April 1981 b) April 1991 c) April 2001 d) April 2000

110. Certificate of Deposit was introduced in :

a) March 1989 b) March 1999 c) April 1999 d) April 2000

111. The SEBI cannot issue guidelines in respect of :

a) Information disclosure and investor protection

b) Pricing of issues.

c) Monetary policy of the country.

d) Development of financial institutions

112. Which of the following is not an Indian Capital Market?

a) Primary market b) Security market c) Secondary market d) Commercial bill market

113. Which of the following is not included in M1 measure of money supply?

a) Currency b) Coins

c) Fixed Deposits d) Demand Deposit

114. Broad money is also known as

a) M1 b) M2

c) M0 d) M3

115. Green shoe option was introduced in the Indian capital market in the year :

a) 1991 b) 1999 c) 2003 d) 2005

116. Which was the first Indian commercial bank to set up a separate merchant banking division?

a) Canara Bank b) SBI c) RBI d) Indian Bank

117. The first bank to set up a separate merchant banking division in India among the following.

a) Punjab National Bank b) Standard Chartered Bank

c) Nation Grindlays Bank d) National City Bank

118. Which of the following regulates Indian Capital Market?

a) RBI b) FII c) SBI d) SEBI.

119. Which of the following is not an NBFII?

- a) LIC b) HDFC c) SBI d) Post office.

120. Which of the following is not a money market instrument?

- a) Call money b) Bill of Exchange c) Treasury bills d) Bond.

121. Which of the following is the stock market index of Japan?

- a) Dow Jones b) NASDAQ c) Nikkei d) KOSPI

122. How many shares are included in the Nifty?

- a) 20 b) 30 c) 40 d) 50

124. Who is the chairman of SEBI?

- a) Ajay Tyagi b) M S Ahluwalia c) U K Sinha d) Subba Rao

125. The institution which pools savings of small investors and makes investments in the stock market.

- a) Provident Fund b) Venture Capital Fund c) Mutual Fund d) Pension Fund.

126. The legal agreement to purchase the unsubscribed portion of a new issue:

- a) Demating b) Underwriting c) Book Building d) Korb Trading.

127. The holder of which of the following is the actual owner of a company?

- a) Debentures b) Bond c) Equity shares d) None of these.

128. A person who buys a share in anticipation of a future rise in price

- a) Bear b) Bull c) Stag d) Donkey.

129. The market for long term funds

- a) Money market b) Foreign exchange Market c) Capital Market d) Bullion market.

130. Which of the following is issued free of cost

- a) Ordinary Share b) Rights Share c) Bonus Share d) Preference Share.

131. Which of the following institution is associated with the savings of the salaried people?

- a) Provident fund b) mutual fund c) Venture capital fund d) Exchange traded fund.

132. FII were permitted to invest in the Indian stock market from

a) 1991 b) 1992 c) 1993 d) 1990

132. The biggest stock exchange in India

a) BSE b) Calcutta Stock Exchange c) NSE d) Cochin Stock Exchange

133. Banking belongs to

a) Primary sector b) Secondary sector c) Tertiary sector d) None of these

134. The present RBI governor is

a) Shri [HYPERLINK "https://m.rbi.org.in/Scripts/governors.aspx"](https://m.rbi.org.in/Scripts/governors.aspx) Shaktikanta [HYPERLINK "https://m.rbi.org.in/Scripts/governors.aspx"](https://m.rbi.org.in/Scripts/governors.aspx) Das b) Dr. [HYPERLINK "https://m.rbi.org.in/Scripts/governors.aspx"](https://m.rbi.org.in/Scripts/governors.aspx) Urjit [HYPERLINK "https://m.rbi.org.in/Scripts/governors.aspx"](https://m.rbi.org.in/Scripts/governors.aspx) R. Patel c) Dr. [HYPERLINK "https://m.rbi.org.in/Scripts/governors.aspx"](https://m.rbi.org.in/Scripts/governors.aspx) Raghuram [HYPERLINK "https://m.rbi.org.in/Scripts/governors.aspx"](https://m.rbi.org.in/Scripts/governors.aspx) Rajan d) Dr. D. [HYPERLINK "https://m.rbi.org.in/Scripts/governors.aspx"](https://m.rbi.org.in/Scripts/governors.aspx) Subbarao

135. Which type of banking is popular in India.

a) Mixed Banking b) Chain Banking c) Unit banking d) Branch Banking

136. Which is an example of qualitative credit control measure?

a) Bank Rate b) CRR c) Open market operations d) Moral suasion.

137. Credit is created by:

a) Government b) Customer c) Central Bank d) Commercial Bank

138. The credit creation capacity of a commercial bank is limited by

a) Investments b) CRR c) Liabilities d) Deposits.

139. The banks are required to maintain a certain ratio between their cash in hand total assets. This is called

a) SLR b) PLR c) Bank Rate d) CRR.

140. Banking business involved in providing loan facilities for industrial and other development purpose is denoted as

a) Development Banking b) Regional Banking c) Branch Banking d) Unit Banking

141. Normally no interest is paid on

a) Fixed Deposits b) Current deposits c) Saving Deposits d) Recurring Deposits.

142. Which of the following committee examined and suggested financial sector reforms

a) Abid Hussian Committee b) Bhagwati Committee

c) Chelliah Committee d) Narasimham Committee

143. The oldest central bank of the world

a) Bank of England b) Bank of Sweedon

c) Bank of Japan d) Federal Reserve System of USA

144. During periods of inflation the policy followed is

a) Dear money policy b) Cheap money policy c) Clear money policy d) Fiscal policy.

145. Which is an example of quantitative credit control policy

a) Bank rate b) CRR c) Open market operations d) ALL the above.

146. This is the function of a commercial bank.

a) Printing notes b) Lender of the last resort

c) Credit creation d) Agent of the Government

147. Loans and investment for a commercial bank is

a) Liability b) Assets c) NPAs d) None of the above.

148. Narasimham Committee was appointed to look in to

a) Fiscal reforms b) Financial sector reforms

c) Trade policy reforms d) Industrial sector reforms.

148. The reserve ratio is usually determined by

a) The commercial banks b) The free play of market forces

c) The monetary authority d) All the three together.

149. Which system of note reserves is followed in India?

a) Fixed Fiduciary System b) Proportionate reserve system

c) Minimum Reserve system d) None of the above.

150. The monetary authority of a nation is

a) Central government b) State Government c) Central Bank d) None of these

151. Credit creation is an important function of

a) Commercial Banks b) RBI c) UTI d) None of these.

152. RBI was established in

a) July 12 1982 b) July 12 1985 c) July 12 1980 d) July 12 1991

153. What are the liabilities of a bank?

a) Advances b) Time Deposits c) Accumulated Reserves d) Cash with the Rbi.

154. Banks liquidity means

a) Capacity to produce cash on demand b) to create credit

c) Arrangement of cash d) All the above.

155. Commercial banks mainly invest in

a) Government securities b) LIC policies of the staff c) Treasury Bills d) Equity shares

156. In Banking history 1969 is known for

a) Agriculture finance b) Nationalisation of banks c) Credit creation d) None of these.

157. This is not a commercial bank.

a) RBI b) SBI c) PNB d) Canara Bank.

158. The Banking Regulation Act was passed in

a) 1950 b) 1949 c) 1969 d) 1991.

159. Lender of last resort is

a) RBI b) State Bank of India c) ADB d) IDBI.

160. Overdraft means

a) Crossing a draft b) Banking reform c) Signing a draft d) Allowing more withdrawal than deposit.

161. In the terminology of economics and money demand, the terms M3 and M4 are also known as :

a) Short money
b) Long money
c) Broad money
d) Narrow money

162. In the terminology of economics and money demand, the terms M3 and M4 are also known as :

a) Short money
b) Long money
c) Broad money
d) Narrow money

163. What is the currency deposit ratio (cdr)?

- a) ratio of money held by the public in currency to that of money held in bank deposits
- b) ratio of money held by the public in bank deposits to that of money held by the public in currency
- c) ratio of money held in demand drafts to that of money held in treasury bonds
- d) none of the above

164. What is the Cash Reserve Ratio (CRR)?

- a) the fraction of the deposits that commercial banks lend to the customers
- b) the fraction of the deposits that RBI must keep with commercial banks
- c) the fraction of the deposits that commercial banks must keep with RBI
- d) none of the above

165. What is 'Bank rate'?

- a) The rate at which commercial banks borrow money from RBI
- b) The rate at which commercial banks lend money to customers
- c) The rate at which commercial banks lend money to RBI
- d) none of the above

166. In monetary terminology, what is called the 'monetary base' or 'high powered money'?

- a) the total assets of RBI
- b) the total liability of RBI
- c) the total debt of the government
- d) the total foreign exchange of RBI

167. The RBI can increase the money supply in the market by:

- a) selling government securities
- b) buying government securities
- c) borrowing money from commercial banks
- d) none of the above

168. The RBI can decrease the money supply in the market by:

- a) selling government securities
- b) buying government securities
- c) borrowing money from commercial banks
- d) none of the above

169. By increasing the 'Bank Rate', the RBI can:

- a) provide incentives to commercial banks to lend more to public
- b) provide incentives to commercial banks to lend less to public

- c) increase the money supply in the market
- d) none of the above

170. Which one of the following does not belong to the major general insurance private sector companies in India?

- a) Bajaj Allianz General Insurance
- b) Reliance General Insurance
- c) Royal Sundaram Alliance Insurance
- d) The Oriental Insurance Company

171. When was the Oriental Life Insurance Company established?

- a) 1818
- b) 1834
- c) 1907
- d) 1938

172. When was Life Insurance sector nationalised?

- a) 1834
- b) 1907
- c) 1938
- d) 1956

173. When was the Insurance Regulatory and Development Authority constituted?

- a) 1938
- b) 1971
- c) 1993
- d) 1999

174. Which of the following is not a public sector bank in India?

- a) Andhra Bank
- b) Federal Bank
- c) IDBI Bank
- d) Vijaya Bank

175. Which of the following is not a part of India's Money Market?

- a) Banks
- b) Bill Markets
- c) Call Money Market
- d) Indian Gold Council

176. Which one of the following does not belong to regulatory bodies in India?

- a) FMC
- b) IRDA
- c) PFRDA
- d) SEBI

177. Which one of the following is the special drawing rights given by the International Monetary Fund to its member countries?

- a) Cold money
- b) Hot money
- c) Paper gold
- d) None of these

178. What does the letter 'S' denote in the term IFSC?

- a) Subscriber
- b) State
- c) System
- d) Source

179. 'Subprime lending' is a term applied to the loans made to _____.

- a) Those borrowers who do not have a good credit history
- b) Those borrowers who have a good credit history
- c) Those borrowers who do not have a good debit history
- d) Those borrowers who have a good debit history

180. What is the full form of CBS?

- a) Core Banking Solution
- b) Core Banking Software
- c) Core Banking System
- d) Core Banking Service

181. Which among the following is the act of taking on a risk for a fee?

- a) Guidewire
- b) Initial Public Offering
- c) Predictive analytics
- d) Underwriting

182. Which among the following is called the rate of interest charged by RBI for lending money to various commercial banks by rediscounting of the bills in India?

- a) Bank Rate
- b) Discount Window
- c) Monetary Policy

d) Overnight Rate

183. Which of the following are to be followed by Commercial Banks for risk management?

- a) Basel II norms
- b) Basel III norms
- c) Basel I norms
- d) Solvency II norms

184. What is the full form of CRR?

- a) Cash Reserve Rate
- b) Cash Reserve Ratio
- c) Cash Recession Ratio
- d) Core Reserve Rate

185. Which one of the following is known as the recession occurring two times with a small gap in between?

- a) Deep Recession
- b) Deflation
- c) Double-dip Recession
- d) Double Inflation

186. "Basel Committee on Banking Supervision" is also known as

_____.

- a) Bank for International Settlements Committee
- b) Banking Regulation Committee
- c) Financial Stability Board
- d) Global Financial System

187. What is the full form of NAV?

- a) Net Actual Value
- b) Net Annual Value
- c) Net Asset Value
- d) Net Average Value

188. Who issues 'Commercial Papers'?

- a) A Company to a Bank
- b) Banks to Banks
- c) Banks to Companies
- d) Company to its suppliers

189. What is the full form of SWIFT?

- a) Safe Window for Interbank Financial Transactions
- b) Safe Window In case of Financial Transaction
- c) Society for Worldwide Interbank Financial Telecommunication
- d) Safe Window Institute For Transactions

190. Which of the following is known as the concept of a standard contract to buy or sell a specified commodity at a certain date in future and at a market driven price?

- a) Forward Contract
- b) Futures Contract
- c) Market Contract
- d) Standard Contract

191. Which one of the following set up core banking infrastructure for rural banks?

- a) IBA
- b) NABARD
- c) RBI
- d) SIDBI

192. Which organization provides credit history of the borrowers?

- a) CIBIL
- b) CII
- c) FRBI
- d) IRDA

193. Which one of the following organisations has been set up to facilitate connectivity between the Bank's switches and their ATMs, and inter bank payment gateway for authentication and routing the payment details of various e-commerce transactions?

- a) IBA
- b) IDRBT
- c) IRDA
- d) SIDBI

194. Which is a tool that helps RBI to stabilize money supply and prices of Government securities?

- a) EOQ
- b) EPQ
- c) JIT
- d) OMO

195. Who regulates the Mutual Funds in India?

- a) FRBI
- b) SEBI

- c) SIDBI
- d) RBI

196. What is 'fiat money'?

- a) The currency is backed by Government Guarantee
- b) The currency is backed by tangible assets
- c) The currency is backed by gold reserves
- d) The currency is backed by budgetary support

197. Who sets up 'Base Rate' for Banks?

- a) Individual Banks Board
- b) Interest Rate Commission of India
- c) RBI
- d) None of the above

198. Which of the following are the amounts owed to a company that are not going to be paid?

- a) Bad debts
- b) Non-performing Assets
- c) Out of order accounts
- d) Overdrawn accounts

199. Whom with Primary Dealers deal in both primary and secondary markets?

- a) Corporate Bonds
- b) Debentures
- c) Equities
- d) Government Securities

200. What is Mortgage?

- a) A security created on immovable property for a deposit received by a bank
- b) A security created on immovable property for a loan given by a bank
- c) A facility created on movable property for a deposit received by a bank
- d) A security created on movable property for a loan given by a bank

201. Which is the minimum lending rate decided by RBI which shall be adopted by all Public Sector Banks?

- a) Bank rate
- b) Base rate
- c) Overnight rate

d) None of the above

202. High-powered money does not include

- Currency
- Coins
- Reserves
- Demand Deposits .

203. High powered money includes

- Reserves
- Demand Deposit
- Savings Deposit
- Fixed Deposit

204. Money Supply= High Powered Money x

- Investment multiplier
- Money multiplier
- Foreign Trade multiplier
- Employment Multiplier

205. Money multiplier =

- a) High powered money x Money supply
- b) High powered money/Money supply
- c) Money supply/ high powered money
- d) Money supply + High powered money

MAHATMA GANDHI UNIVERSITY

BA Economics 6TH SEMESTER

EC6CRT13

Money & Financial Markets

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