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Reg. No.....

Name.....

**B.A. DEGREE (C.B.C.S.S.) EXAMINATION, JUNE 2026**

**Fifth Semester**

B.A. Economics

Core Course—ECONOMICS OF FINANCIAL MARKETS

(2014—2016 Admissions—Mercy Chance)

[For Private Registration Candidates]

Time : Three Hours

Maximum Weight : 25

**Instructions :** *This question paper contains two sections. Answer Section I questions in the answer book provided. Section II Internal Examination questions must be answered in the question paper itself. Follow the detailed instructions given under Section II.*

**Section I**

PART A (OBJECTIVE TYPE QUESTIONS)

*Answer all questions.*

*Each bunch of four questions carries a weight of 1.*

BUNCH I

1. Which institution can create credit ?

- |                       |                          |
|-----------------------|--------------------------|
| A) Insurance Company. | B) Mutual Fund.          |
| C) Commercial Bank.   | D) Venture Capital Fund. |

2. Which regulator supervises insurance companies in India ?

- |           |           |
|-----------|-----------|
| A) RBI.   | B) SEBI.  |
| C) IRDAI. | D) PFRDA. |

3. Mutual funds are managed by :

- |                      |                                |
|----------------------|--------------------------------|
| A) Commercial Banks. | B) Asset Management Companies. |
| C) RBI.              | D) Venture Capital Firms.      |

**Turn over**





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4. Venture capital funds mainly invest in :
- A) Mature government departments.
  - B) Start-ups with high growth potential.
  - C) Fixed deposits.
  - D) Treasury Bills only.

BUNCH II

5. Gilt-edged securities are issued by :
- A) Mutual Funds.
  - B) Insurance Companies.
  - C) Government.
  - D) Private Companies.
6. Which institution regulates mutual funds in India ?
- A) RBI.
  - B) SEBI.
  - C) IRDAI.
  - D) PFRDA.
7. Which is part of the unorganized money market ?
- A) RBI.
  - B) Commercial Bank.
  - C) Moneylender.
  - D) DFHI.
8. New securities are issued in the :
- A) Secondary Market.
  - B) Primary Market.
  - C) Commodity Market.
  - D) Forex Market.

BUNCH III

9. Which market is commonly known as the stock market ?
- A) Primary Market.
  - B) Secondary Market.
  - C) Money Market.
  - D) Rural Market.
10. IPO stands for :
- A) Initial Public Offer.
  - B) Indian Public Offer.
  - C) International Public Offer.
  - D) Institutional Public Offering.





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11. Blue-chip shares belong to :
- A) New startups.
  - B) Financially strong, reputed companies.
  - C) Loss-making firms.
  - D) Government departments.
12. Listing of securities means :
- A) Printing shares.
  - B) Admitting securities for trading on a stock exchange.
  - C) Auditing accounts.
  - D) Paying dividends.

BUNCH IV

13. NSDL stands for :
- A) National Securities Depository Limited.
  - B) National Share Deposit Limited.
  - C) National Securities Development Limited.
  - D) National Stock Depository Limited.
14. SEBI is responsible for :
- A) Regulating the capital market.
  - B) Printing currency.
  - C) Conducting monetary policy.
  - D) Collecting taxes.
15. Which is the oldest stock exchange in India ?
- A) NSE.
  - B) BSE.
  - C) MCX.
  - D) NCDEX.
16. Which index is also known as the barometer of the Indian stock market ?
- A) Nikkei.
  - B) Sensex.
  - C) Dow Jones.
  - D) FTSE.

(4 × 1 = 4)

**Turn over**





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PART B (SHORT ANSWERS)

*Answer any **five** questions not exceeding 50 words.  
Each question carries a weight of 1.*

- |                              |                             |
|------------------------------|-----------------------------|
| 17. Define financial market. | 18. Mutual fund.            |
| 19. Venture capital fund.    | 20. Gilt edged securities.  |
| 21. Money market.            | 22. Certificate of deposit. |
| 23. Primary market.          | 24. Equity shares.          |

(5 × 1 = 5)

PART C (SHORT ESSAY)

*Answer any **four**, not exceeding 150 words.  
Each question carries a weight of 2.*

25. What is the difference between monetary and non-monetary financial intermediaries ?
26. What is the difference between life insurance and general insurance ?
27. What is the structure of Indian money market ?
28. What are the advantages of developed money market ?
29. Distinguish between primary market and secondary market.
30. Discuss major financial instruments of capital market.

(4 × 2 = 8)

PART D (LONG ESSAY)

*Answer any **two** not exceeding 450 words.  
Each question carries a weight of 4.*

31. Discuss the structure of financial markets.
32. Briefly discuss the major money market instruments.
33. Examine the meaning and composition of the capital market.

(2 × 4 = 8)

