Dr. Babasaheb Ambedkar Open University
Term End Examination July – 2019

Course	:	**PGDF**	**Date**	:	**19-Jul-19**
Subject Code	:	**PGDF-103**	**Time**	:	**03:00pm to 06:00pm**
Subject Name	:	**Financial Markets**	**Duration**	:	**03 Hours**
			Max. Marks	:	**70**

Section A

Answer the following (Attempt any three) **(30)**

1. Elaborate the structure of financial system.
2. Write a note on Money market instruments.
3. What affect the special nature of services has, on the formulation of banking delivery systems?
4. How will you differentiate different types of Financial Services?
5. Describe types of Pension Plan in detail.

Section B

Answer the following (Attempt any four) **(20)**

1. Justify the role of the Reserve Bank in the Money Market.
2. How will you describe Issue Mechanisms in financial market?
3. Elaborate factors influencing Consumer Behavior in Banking.
4. Write a brief note on Sales Promotion in Service Industry.
5. Describe different types of Financial Services in brief.
6. Explain main drivers of Globalization of Markets.

Section C

Part – A (Multiple Choice Questions) **(10)**

1 A financial system makes it possible a more efficient transfer of_____.

A Capital B Funds
C Services D None of the above

2 Important role is played by government, which issue money market securities and use the proceeds to finance state budget _____.

A Deficits B Surplus
C Both of the above D None of the above

3 The _____market is that part of the capital markets that deals with the issuance of new securities.

A Primary B Secondary
C Intermediate D None of the above

4 _____is/are service providers in the market.

A RBI B Intermediaries
C Government D None of the above

5 The NSE was set up in _____.

A 1984 B 1994
C 1999 D None of the above

6 Financial services are _____and perishable in nature.

A Tangible B Intangible

C Both of the above D None of the above

7 To the _____often one financial service is very much like the other.

A Public B Seller

C Both of the above D None of the above

8 In the _____industry like Banking, promotion assumes all the more important position as what we really sell is 'abstract' thing.

A Service B Production

C Manufacturing D None of the above

9 The risk of price increases, which erode the purchasing power of the lifetime savings, is called _____risk.

A Inflation B Investment

C Production D None of the above

10 Fast changing _____and its consequent high cost equipment also become components of the cost drivers in the globalization.

A Technology B Organization

C Manufacturing D None of the above

Part – B (Do as Directed) (10)

Mark True or False.

1 Financial Market is a market in which people trade financial securities, commodities, and other fungible items of value at low transaction costs and at prices that reflect supply and demand.

2 A bonus issue involves selling securities in the primary by issuing rights to the existing shareholders.

3 India has seen a tremendous growth of its Primary Markets with close to 500 Initial Public Offerings(IPO)Second only US

4 Secondary market is the financial market in which previously issued financial instruments such as stock, bonds, options, and futures are bought and sold.

5 MIS is the system that provides information to management

6 Banking has changed their perspectives as regards their relationship with customers.

7 Managing service recovery is also important in building customer satisfaction.

8 The money market amidst the currency fluctuations and the trend of rupee weakening will be another challenge to be faced.

9 Financial Services are services rendered by financial institutions, facilitating the smooth flow of financial activities in the economy of the financial system.

10 Fund Based Financial Services firms that cater the short-term term needs of funds of corporate sector and others are in the funds-based services.