85D (FS)

[18–HRGPKAC–M3S]

MA 3rd Semester Exam., 2018

ECONOMICS

[MEC (S3) 12]

(Financial System)

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions (each within *50* words) : 2×5=10

(a) Define 'share'.

(b) What is meant by options contract?

(c) Mention any two characteristics of banking institutions.

(d) What is meant by inter-corporate deposit?

(e) Mention two characteristics of treasury bills.

(f) Mention two advantages of call market.

2. Answer any *three* from the following questions (each within *150* words) : 4×3=12

(a) Explain the role of financial intermediaries in an economy.

(b) Write a short note on commercial bill.

(c) List four advantages of treasury bill market.

(d) Briefly explain any four reasons for fluctuations in call money rates.

3. Answer any *three* from the following questions (each within *250* words) : 6×3=18

(a) Who are the participants in the derivative market? Explain them.

(b) Discuss the procedure of valuation of stocks through price-earning (PE) ratio.

(c) What is meant by Net Asset Value (NAV)? Discuss the factors that influence NAV. 1+5=6

(d) List the duties of merchant banker.

4. Answer any *four* from the following questions (each within *500* words) : 10×4=40

(a) Discuss the factors to be considered by an investor before entering into capital market.

(b) What is meant by listing of securities? Discuss the minimum requirements for a security to be listed in a stock exchange. 2+8=10

(c) Mention two features of debentures. Also discuss different types of debenture. 2+8=10

(d) Discuss different types of life insurance policy.

(e) Discuss the functions performed by a modern commercial bank.

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