

Date: 11.10.2019

Time : (2½ Hours)

Total Marks: 75

- N.B. (1) All questions are compulsory.
(2) Figures to the right indicate marks for respective sub questions.

- Q.1 A Choose correct alternative in each of the following. (Any 8) (8)
- (i) Money market is controlled by _____
 - (a) IRDA
 - (b) RBI
 - (c) SEBI
 - (ii) A _____ holder is the creditor of the company.
 - (a) Debenture
 - (b) Equity share
 - (c) Preference share
 - (iii) Treasury bills are of the following duration _____
 - (a) 364 days
 - (b) 91 days
 - (c) Both a and b
 - (iv) The IPO of a bank process is ultimately regulated by the _____.
 - (a) RBI
 - (b) SEBI
 - (c) CBI
 - (v) _____ is calculated by dividing annual dividend per share by price per share.
 - (a) ROE
 - (b) EPS
 - (c) Dividend Yield
 - (vi) STRIPS are government securities issued by _____.
 - (a) RBI
 - (b) SEBI
 - (c) Central Government
 - (vii) The _____ usually have the maturity period of at least one year.
 - (a) Equity shares
 - (b) Debenture
 - (c) Corporate bonds
 - (viii) The cost of equity shares basically depends upon the _____.
 - (a) Debt
 - (b) Equity
 - (c) Expectation of shareholders
 - (ix) The _____ premium increases with default risk.
 - (a) Current Yield
 - (b) Interest Yield
 - (c) Default
 - (x) SLR stands for _____.
 - (a) Share lending rate
 - (b) Statutory lending rate
 - (c) Statutory liquidity ratio
- B State whether the following statements are True or False (Any 7) (7)
- (i) Secondary market deals with listed securities.
 - (ii) Equity shares are part of source of funds.
 - (iii) T-bills are issued at a discount and are redeemed at face value on maturity.
 - (iv) In the primary market the security is purchased directly from the issuer.
 - (v) Securities that are deal with stock exchange.
 - (vi) Non-bank institutions are permitted in the call money market.
 - (vii) The settlement for the various trades is finally carried out through the SEBI.
 - (viii) Preference shares are paid fluctuating rate of dividend.

- (ix) The default premium decreases with default risk.
 (x) Coupon interest rates are returns on equity.

- Q.2 (A) Functions of money market. (8)
 (B) Features of equity shares. (7)

OR

- (P) Limitations of money market (8)
 (Q) Explain the categories debt market instruments. (7)

- Q.3 (A) Functions of primary market. (8)
 (B) Roles of stock exchange. (7)

OR

- (P) What is book building? Explain its features. (8)
 (Q) Explain the process of IPO. (7)

- Q.4 (A) What is debt market? Write the players in Indian debt market. (8)
 (B) Explain the term OMO and Tools for OMO (7)

OR

- (P) Calculate Book value per share with the help of following Balance sheet. (8)

Balance Sheet of ALFA Ltd as on 31st March 2016.

Liabilities	Rs	Assets	Rs
Equity shares @ Rs. 100 each	200000	Bank	26000
Reserve Fund	36000	Land & Building	125000
Creditors	60000	Machinery	35000
Bills Payable	10000	Debtors	50000
	296000		296000

- (Q) What is the value of a bond of Rs. 10000 with 8% coupon rate, 5 years of maturity? The required rate of return is 14%. What is the current value of the debenture? (7)

Year	1	2	3	4	5
PV @ 14%	0.877	0.769	0.675	0.592	0.519

- Q.5 (A) Explain the different types of Bond? (8)
 (B) Nisha Ltd. Is having a growth rate of 12% p.a. for next four years, after which it is expected to remain stable at 8% p.a. If the last dividend paid was Rs. 4 per share and the investor's required rate of return is 14% find out the value of share. (7)

OR

- (P) Attempt **any Three** of the following (Short note) (15)

1. IFO
2. SEBI
3. Nifty
4. ESOP
5. Public Sector Bond
