

**ANSWER KEY**

| <b>Q 1</b>                           |   | <b>Q 1</b>                         |             |                                  |
|--------------------------------------|---|------------------------------------|-------------|----------------------------------|
| <b>A) Fill in the Blanks (Any 8)</b> |   | <b>B) Match the Column (Any 7)</b> |             |                                  |
| <b>Sr. No.</b>                       | <b>Answers</b>  | <b>Sr. No.</b>                     | <b>Ans.</b> | <b>Answers</b>                   |
| 1                                    | SENSEX  | 1                                  | D           | Commercial Bill                  |
| 2                                    | RBI   | 2                                  | F           | Equity shares                    |
| 3                                    | Primary market  | 3                                  | B           | Government Bonds                 |
| 4                                    | Certificate of Deposit  | 4                                  | C           | Risk Takers                      |
| 5                                    | SEBI  | 5                                  | E           | Transfers risk                   |
| 6                                    | Money Market  | 6                                  | I           | Riskless Profit                  |
| 7                                    | SEBI  | 7                                  | H           | Agricultural commodities trading |
| 8                                    | Stock Exchange  | 8                                  | A           | Put Option                       |
| 9                                    | Derivatives   | 9                                  | J           | Regulator of Securities Market   |
| 10                                   | Capital formation   | 10                                 | G           | BSE online trading system        |
| <b>Q 2 A)</b>                        | Explain the Structure of Financial Markets in India.<br><b>Any 4 markets x 2 marks each = 8 marks</b>   |                                    |             | <b>08</b>                        |
| <b>B)</b>                            | What are Capital Markets? Explain the role played by Capital Markets.<br><b>Meaning of Capital markets = 2 marks</b><br><b>Any 5 roles x 1 mark each = 5 marks</b>                |                                    |             | <b>07</b>                        |
|                                      | <b>OR</b>   |                                    |             |                                  |
| <b>C)</b>                            | Elaborate on the various Money Market instruments.<br><b>Any 4 instruments x 2 marks each = 8 marks</b>   |                                    |             | <b>08</b>                        |
| <b>D)</b>                            | State the advantages and drawbacks of investment in the Capital Markets.<br><b>Any 4 advantages x 1 mark each = 4 marks</b><br><b>Any 3 disadvantages x 1 mark each = 3 marks</b> |                                    |             | <b>07</b>                        |
| <b>Q 3 A)</b>                        | Explain the features of the Foreign Exchange Markets.<br><b>Meaning of Foreign exchange markets = 1 mark</b><br><b>Any 7 features x 1 mark each = 7 marks</b>                     |                                    |             | <b>08</b>                        |
| <b>B)</b>                            | Elaborate the functions of Commodities Market in India.<br><b>Meaning of Commodities market = 1 mark</b><br><b>Any 6 functions x 1 mark each = 6 marks</b>                        |                                    |             | <b>07</b>                        |
|                                      | <b>OR</b>   |                                    |             |                                  |
| <b>C)</b>                            | Explain the structure of Derivatives Market in India.<br><b>Meaning of Derivatives market = 2 marks</b><br><b>Any 3 sub-markets x 2 marks each = 6 marks</b>                      |                                    |             | <b>08</b>                        |
| <b>D)</b>                            | Who are the major players in the Commodities Market?<br><b>Any 7 players x 1 mark each = 7 marks</b>  |                                    |             | <b>07</b>                        |
| <b>Q 4 A)</b>                        | State the advantages and drawbacks of Foreign Exchange Markets.<br><b>Any 5 advantages x 1 mark each = 5 marks</b><br><b>Any 3 disadvantages x 1 mark each = 3 marks</b>          |                                    |             | <b>08</b>                        |
| <b>B)</b>                            | Explain the regulatory framework of Commodities Market in India.<br><b>Any 7 relevant points x 1 mark each = 7 marks</b>  |                                    |             | <b>07</b>                        |

|               |  |           |
|---------------|--|-----------|
|               | <b>OR</b>  |           |
| <b>C)</b>     | Explain in detail the regulatory institution SEBI.<br><b>Any 8 relevant points x 1 mark each = 8 marks</b>   | <b>08</b> |
| <b>D)</b>     | Explain the underlying assets in Derivatives Market.<br><b>Meaning of Underlying Assets = 2 marks</b><br><b>Any 5 Underlying Assets x 1 mark each = 5 marks</b>                  | <b>07</b> |
| <b>Q 5 A)</b> | Distinguish between Capital Market and Money Market.<br><b>Any 8 relevant points x 1 mark each = 8 marks</b>   | <b>08</b> |
| <b>B)</b>     | Distinguish between Forward Contracts and Future Contracts.<br><b>Any 7 relevant points x 1 mark each = 7 marks</b>  | <b>07</b> |
|               | <b>OR</b>  |           |
| <b>C)</b>     | Write a Short Note on: (Any 3)<br>1. Capital Formation Process<br>2. SENSEX<br>3. MCX<br>4. Exchange Rates<br>5. RBI<br><br><b>Any 5 relevant points x 1 mark each = 5 marks</b> | <b>15</b> |
| <b>NOTE:</b>  |  |           |