



Time : 2 ½

Marks 75

**NOTE**

1. All questions are compulsory
2. Figure to the right indicate full marks

- Q.1. Fill in the blanks with appropriate answer( Any 8) 8
1. In debt market investment is done in the form of \_\_\_\_\_  
a) Shares b) Debenture c) Mutual Fund
  2. \_\_\_\_\_ regulates the government securities market  
a) RBI b) SEBI c) IRDA
  3. Bond with no maturity dates are called  
a) Perpetual bonds b) Municipal bonds c) Corporate Bond
  4. Certificate of deposits are issued by \_\_\_\_\_  
a) Bank b) Company c) Insurance
  5. ICRA credit rating agency was incorporated in \_\_\_\_\_  
a) 1991 b) 1987 c) 1947
  6. Government bonds are \_\_\_\_\_ instruments  
a) Secured b) Unsecured c) Loan
  7. T-Bills are issued at \_\_\_\_\_  
a) Discount b) Premium c) Very High price
  8. An open market operation is an instrument of \_\_\_\_\_ policy  
a) monetary b) Fiscal c) International
  9. \_\_\_\_\_ is a bonds annual return based on its annual coupon payment and current price.  
a) Current Yield b) Yield to Maturity c) EPS
  10. \_\_\_\_\_ is the risk that issuer will not pay the coupon income and maturity on specified dates  
a) Liquidity Risk b) Credit Risk c) Exchange Risk
- Q.1.B State the Following statement is true and false (Any 7) 7
1. Primary Dealer are market intermediaries appointed by RBI
  2. The central bank can either buy and sell government bonds in the open market.
  3. Masala bonds are Rupee denominated bonds.
  4. STCI was authorised by RBI as one of the first Primary Dealers in India
  5. Junk bonds are offer low interest rate
  6. When yield increases bond prices decreases.
  7. A debt market is also known as a 'Flexible Income Market'
  8. Government Securities serves as a benchmark for pricing in other debt market
  9. Call features in bond means to redeem after maturity
  10. AAA credit rating is given to weak financial company
- Q.2. a) Explain role of debt market in Indian economy 8
- Q.2. b) Explain debt market instrument 7
- OR**
- Q.2.p) Explain role of RBI in secondary market 8
- Q.2.q) What are the benefits of debt market 7
- Q.3.a) What are the condition of primary dealer 8
- Q.3.b) Explain different type of Primary dealer 7
- OR**
- Q.3.p) Explain function of Primary dealer 8

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Q.3.q)	Explain State trading corporation of India	7
Q.4.a)	Explain Bond with its feature.	8
Q.4.b)	What are the types of bond	7
	<b>OR</b>	
Q4.p)	What are the advantages of bond to consumer	8
Q4.q)	Explain process of bond rating	7
Q.5.a)	Find the value of bond if the bond price is Rs.1000 coupon rate is 10% and required rate is 10%	8
Q..5.b)	What are the types of Yield curve	7
	<b>OR</b>	
Q.5.P)	Short Note ( Any Three)	15
	1.Market stabilisation scheme	
	2.Money Market	
	3.Rating Symbols	
	4.Types of Risk	
	5.STRIP	