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Reg. No.....

Name.....

**FIVE YEAR B.A., LL.B. (HONOURS) DEGREE EXAMINATION
JANUARY 2023**

Third Semester

FP 8—ECONOMICS III—ECONOMICS OF FINANCIAL MARKET

(2020 Admissions—Regular/2018, 2019 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

*Write short notes on any five.
Each question carries 3 marks.*

1. Insurance Companies (Life and General Insurance).
2. Primary Security and Secondary Security.
3. Venture Capital Funds and Mutual Funds.
4. Gilt-edged Securities.
5. ESOP.
6. RBI and Indian Money Market.
7. SEBI and Capital Market in India.

(5 × 3 = 15 marks)

Part B

*Write short essays on any three.
Each question carries 10 marks.*

8. What are money markets ? Discuss the nature and importance of London and New York Money markets/explaining their distinctive features.
9. Discuss the rural money markets in India and explain the role of RBI and DFHI in Indian money market.
10. Explain the meaning and composition of capital markets. Discuss their classification as primary and secondary markets.
11. Explain what is meant by credit rating, stating its objectives and discussing the various credit rating institutions.

(3 × 10 = 30 marks)

Turn over

Part C

Answer any two of the following.

Each question carries 15 marks.

12. Discuss the importance of funds and securities in the financial system describing funds such as pension funds, provident funds and Unit Trusts. Explain the classification of securities as primary security and secondary security and stating the importance of gilt-edged securities.
13. Explain the nature and importance of shares, debentures and bonds as major financial instruments, distinguishing between equity shares and preference shares.
14. Discuss the nature and function of underwriters, and merchant bankers. Explain managers to issue, public issue and discuss methods of public issue. What is meant by blue chip shares, right shares, and bonus shares and demat shares ? Explain.

(2 × 15 = 30 marks)