

TELANGANA UNIVERSITY
S.S.R. DEGREE COLLEGE, NIZAMABAD (C.C:5029)
VI SEMESTER INTERNAL ASSESSMENT I EXAMINATIONS
FINANCIAL ECONOMICS QUESTION BANK

I. Multiple choice questions.

10 X ½ = 5 Marks

1. which of the following is NOT a function of the financial system ()
a. Mobilizing savings b. Allocating funds c) Managing risk d. Printing Money
2. The Reserve Bank of India (RBI) is primarily responsible for ()
a. Regulating the stock market b. controlling inflation c. Providing loans to individual
d. Collecting taxes
3. Which of the following is NOT a component of the Indian Financial system ()
a. Money Market b. Capital market c. Foreign exchange d. Real estate market
4. What is the primary function of commercial banks ()
a. Issuing government bonds b. Accepting deposits c. providing insurances services
d. Managing pension funds
5. What is the main difference between the money market and the capital market ()
a. The maturity of financial instruments b. The type of investors involved
c. The Regularity bodies overseeing them d. The currency used for transations
6. What is the role of the securities and exchange board of India ()
a. Regulating the banking sector b. Protecting investors in the securities
c. Managing foreign exchange reserves d. Collecting taxes on capital gains
7. Which of the following is a key function of the insurance sector ()
a. Providing liquidity to business b. Mitigating financial risks
c. Facilitating international trade d. collecting taxes on income
8. Who regulates the Indian stock market ()
a. Reserve bank of india (RBI) b. securities and exchange board of india (SEBI)
c. Ministry of finance d. National stock exchange
9. What is the apex regularity body for banking in India ()
a. RBI b. SEBI c. IRDA d. PFRDA
10. What is the primary function of the money market ()
a. To provide long term funds b. To provide short terms funds
c. To provide medium term funds d. To provide equity funds
11. Which of the following is a capital market instrument ()
a. Commercial paper b. treasury bill c. bond d. share
12. Which of the following is a stock exchange in india ()
a. Bombay stock exchange (BSE) b. National stock exchange (NSE)
c. Both a & b d. Neither a nor b
13. Which of the following is a type of bond ()
a. Equity share b. Preference share c. Government bond d. mutual fund

14. Which of the following is a type of stock ()
a. equity share b. Preference share c. Government bond d. Mutual fund
15. Which of the following is a stock market index in India ()
a. Senses b. Nifty c. both A & B d. Neither A & B
16. Which of the following instruments is commonly traded in the money market
a. Stocks b. Bonds c. Commercial paper d. Options

II. Fill in the Blanks.

10 X ½ = 5 Marks

1. The Indian financial system is regulated by the _____
2. The Indian financial system consists of _____
3. The RBI acts as the _____ in the Indian financial system
4. The Indian financial system aims to promote _____
5. PFRDA is responsible for regulating and supervising the _____
6. FSDC was established in the year _____
7. The insurance regulatory and development authority (IRDAI) was established in the year _____
8. The Indian money market is a market for _____ financial assets
9. Commercial paper is a _____ unsecured promissory note
10. Certificate of deposit (CD) is a _____ offered by banks.
11. The Indian money market is influenced by various _____ factors
12. The secondary market helps to determine the _____ of securities
13. The money market facilitates the _____
14. The Indian money market is influenced by various _____
15. The stock market is a platform where _____ are traded among investors

III. Short Questions.

5 X 1 = 5 Marks

1. What is the main objective of the (SEBI) ?
2. What is the primary function of the money market?
3. What is the primary source of funds for the money market?
4. Who are the main participants in the stock market ?
5. Where were the first stocks issued?
6. What was the first bond issued ?
7. When were government bonds first issued in the US ?
8. What are shares?
9. How do companies raise capital in the stock market ?
10. Who regulates the US stock market ?

IV. Assignment.

1 X 5 = 5 Marks