

JKXAAA

Time : 2 hours

Marks : 60

- Q. 1** A) Explain classification of financial market in India into capital market and money market. (10)
- B) What is organised & unorganised segments of financial market ? (5)
- Q. 2** A) Give detail note on money market instruments. (7)
- B) What are the reasons of an underdeveloped corporate bonds market? (8)
- Q. 3** A) What is credit rating ? Which are the agencies in India rendering credit rating services ? What are its benefits to various parties ? (8)
- B) Write a short note on STCI (5)
- C) Who are the primary dealers in Government securities ? (3)

OR

- Q. 3** A) Explain the measures for developing a corporate bond market ? (7)
- B) Explain various types of bonds. (8)
- Q. 4** A) Discuss the concept of yield curve. what are its uses? (10)
- B) Give a note on CAPM (5)

OR

- Q. 4** A) Coupon rate of a bond with face value Rs. 1000 is 8% redeemable after 5 years, at a premium of 10% Required rate of return is 10% & it's current market price is 940. Advise the investor whether should he invest or not? (7)
- B) Two alternative investment opportunities are available. The details are as follows. (8)

		Alternative	
		1	2
Face value	-	1000	1000
Couponrate	-	8%	10%
Tenuer	-	6yrs	5 years
Market price	-	955	945
Redumption at	-	5% permium	at par.

Rank the alternatives & recommend the scheme for investor, who is expecting 10% rate of return on his investments. (8)

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