

Unit 10 - Week 8

Course outline

How does an NPTEL online course work?

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Week 8

- Lecture 36 : Call Money Market-I
- Lecture 37 : Call Money Market-II
- Lecture 38 : Treasury Bills Market
- Lecture 39 : Miscellaneous short-term money market-I
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- Quiz : Assignment 8**
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Detailed Solution

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Assignment 8

The due date for submitting this assignment has passed. **Due on 2020-03-25, 23:59 IST.**
As per our records you have not submitted this assignment.

- 1) Which of the following statement is true? 1 point
- Statement I: Call money markets are a part of the national money market where the day-to-day surplus funds, mostly of banks, are traded in.
- Statement II: Call loans in India are unsecured
- Only I
 - Only II
 - Both I and II
 - Neither I nor II
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: c
- 2) With reference to Call Money Market in US, _____ loans represent short-term loans by banks to security brokers and dealers for the purpose of financing their customers' purchases of common stock 1 point
- Federal Funds Market
 - Discount House
 - Call Money Market Proper
 - Inter-Bank Call Market
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: c
- 3) _____ are zero coupon securities, pay no interest, are issued at discount and redeemed at par 1 point
- Commercial Paper
 - Commercial Bills
 - Certificate of Deposit
 - Treasury Bill
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: d
- 4) Which of the following is not true about yield based auctions? 1 point
- It is generally conducted when new government securities are issued
 - Investors bid in yield terms up to two decimal places
 - Bids are arranged in descending order
 - Successful bidders are those who have bid at or below the cut-off
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: c
- 5) Which of the following is not true 1 point
- Commercial papers in India have a lock in period
 - CPs as a source of short-term debt, regarded as highly safe, simple, flexible, and quality liquid instrument
 - CPs are unsecured
 - None of the above
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 6) In India, the call rate has been freely determined by the market forces since 1989 1 point
- True
 - False
- a
- b
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 7) Ready forward contract is an instrument for borrowing funds by selling securities with an agreement to repurchase the said securities on a mutually agreed future date at an agreed price which includes interest for the funds borrowed 1 point
- True
 - False
- a
- b
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 8) Which of the following statement(s) are not true? 1 point
- Treasury bill rate is the rate of interest at which treasury bills are sold by the RBI
 - Ways and means advances and cash management are both issued by the RBI
 - Cash Management Bills have a maturity period ranging from one day to one year
 - Cash Management Bills are issued at a discount and redeemed at face value at maturity
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: c
- 9) Which of the following is/are Credit Rating Agency? 1 point
- Standard & Poor
 - Goldman Sachs
 - Morgan Stanley
 - Barclays
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 10) Which of the following statement(s) is/are true about collateralized borrowing and lending obligation? 1 point
- Is an instrument for borrowing funds by selling securities with an agreement to repurchase
 - It is operated by SEBI
 - It is a discounted instrument
 - It was operationalized with effect from June 13, 2014
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: c
- 11) With reference to Commercial Bills, which of the following is payable at a specified later date 1 point
- Usance
 - Demand bill
 - Both Usance and Demand Bill
 - None of the above
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 12) Which of the following is not true with reference to Discount and Finance House of India: 1 point
- It was set up by RBI with the objective of deepening and activating money market
 - Sole depository of the surplus liquid funds of the banking system
 - Sole depository of the surplus liquid funds of the non-banking financial institutions
 - None of the above
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: d
- 13) The 91 day T-bills are auctioned on every _____ 1 point
- Monday
 - Wednesday
 - Friday
 - Everyday
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: b
- 14) Mumbai inter-bank bid and offer rate is calculated daily by _____ 1 point
- National Stock Exchange
 - Bombay Stock Exchange
 - Reserve Bank of India
 - State Bank of India
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 15) Primary dealers participate in the T-Bill market through _____ process 1 point
- Competitive Bidding
 - Non-Competitive Bidding
 - Minimum Bidding
 - Multi-par Bidding
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 16) Which of the following financial institution does not provides guarantees? 1 point
- Commercial Banks
 - Insurance Companies
 - Export Credit and Guarantee Corporation (ECGC)
 - SEBI
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: d
- 17) Assume that the price of a 91-day Treasury bill (T-Bill) at issue is INR 98.00. After 31 days, if the same T-Bill was trading at a price of INR 99, the yield would then be: 1 point
- 6.14%
 - 8.19%
 - 11.89%
 - 12.42%
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 18) Which of the following statements is/are true: 1 point
- Statement I: When the CP is held in physical form, the holder of the CP shall present the instrument for payment to the issuer through the IPA.
- Statement II: Only a scheduled bank can act as an IPA for issuance of CP.
- Only I
 - Only II
 - Both I and II
 - Neither I nor II
- a
- b
- c
- d
- No, the answer is incorrect.
Score: 0
Accepted Answers: c
- 19) All money market transactions should be reported on the electronic platform called the negotiated dealing system (NDS) 1 point
- True
 - False
- a
- b
- No, the answer is incorrect.
Score: 0
Accepted Answers: a
- 20) The LIBOR is fixed on a daily basis by the British Bankers' Association 1 point
- True
 - False
- a
- b
- No, the answer is incorrect.
Score: 0
Accepted Answers: a