

[This question paper contains 2 printed pages.]

Sr. No. of Question Paper : 152

Roll No.....

Unique Paper Code : 101402

Name of the Course : **BFIA**

Name of the Paper : Financial Instruments and Market

Semester : IV (2014)

Duration : 3 Hours

Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
 2. Answer **All** Questions.
 3. Marks are indicated against each question.
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1. (a) Indian Forex market has been highly volatile in last two years. Discuss the causes of it and explain the means to correct the same. (6)
 - (b) Reserve Bank of India has announced the issue of Rs500 Cr worth of 91DTB on auction basis. Four bidders (A, B, C and D) have bided as follows :
A: Rs. 50Cr @ 98.50; Rs. 50Cr @ 98.45; Rs. 100Cr @ 98.30; Rs. 150Cr @ 98.15
B: Rs. 30Cr @ 98.45; Rs. 70Cr @ 98.40; Rs. 90Cr @ 98.25; Rs. 60Cr @ 98.20
C: Rs. 25Cr @ 98.40; Rs. 50Cr @ 98.35; Rs. 80Cr @ 98.30; Rs. 60Cr @ 98.25
D: Rs. 20Cr @ 98.35; Rs. 30Cr @ 98.25; Rs. 30Cr @ 98.20; Rs. 50Cr @ 98.15
Calculate Cut-off price of 91DTB and its yield on that price. (9)
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2. What do you mean by T+2 settlements. What are its challenges ? Discuss the issues and challenges in implementing T+1 settlement. Also explain the NDS-OM with illustration. (2+2+3+8=15)

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3. What do you mean by a Stock market indicator ? Explain the process of calculation and maintenance of Sensex in detail with example. Critically evaluate the relative importance of Sensex in present scenario. (3+7+5=15)
4. How to measure the performance of a fund manager ? Explain the different methods of performance measurement with the help of an example. (15)
5. (a) The Call money market is caged in the tunnel of spread between MSF and Reverse Repo. Discuss the reasons and consequences of the same. (5)
- (b) Write short notes on **any five** of the followings :
- (i) Inflation indexed Bond
 - (ii) Bit coins
 - (iii) Impact cost
 - (iv) Free float factor
 - (v) Zero coupon bonds
 - (vi) Liquidity preference theory
 - (vii) Over the counter instruments (5×2=10)