

QB365 Question Bank Software Study Materials

Money Market 50 Important 1 Marks Questions With Answers (Book Back and Creative)

12th Standard

Commerce

Total Marks : 50

Multiple Choice Question

50 x 1 = 50

- 1) The money invested in the call money market provides high liquidity with _____.
(a) Low Profitability (b) High Profitability (c) Limited Profitability (d) Medium Profitability
- 2) A major player in the money market is the _____.
(a) Commercial Bank (b) Reserve Bank of India (c) State Bank of India (d) Central Bank.
- 3) Debt Instruments are issued by Corporate Houses are raising short-term financial resources from the money market are called _____.
(a) Treasury Bills **(b) Commercial Paper** (c) Certificate of Deposit (d) Government Securities
- 4) The market for buying and selling of Commercial Bills of Exchange is known as a _____.
(a) Commercial Paper Market (b) Treasury Bill Market **(c) Commercial Bill Market** (d) Capital Market
- 5) A marketable document of title to a time deposit for a specified period may be referred to as a _____.
(a) Treasury Bill **(b) Certificate of Deposit** (c) Commercial Bill (d) Government Securities
- 6) Money Market provides _____.
(a) Medium-term Funds **(b) Short-term Funds** (c) Long-term Funds (d) Shares
- 7) Money Market Institutions are _____.
(a) Investment Houses (b) Mortgage Banks (c) Reserve Bank of India **(d) Commercial Banks and Discount Houses**
- 8) Risk in the Money Market is _____.
(a) High (b) Market Risk **(c) Low Credit and Market Risk** (d) Medium Risk
- 9) Treasury Bills and commercial bills are the examples of
(a) Money market (b) Capital market (c) Equity market (d) Debt market
- 10) Which market deals with shares and debentures?
(a) Money market **(b) Capital market** (c) Debt market (d) Primary market
- 11) A market for the purchase and sale of Treasury bills are known as
(a) Treasury bills market (b) Call loan market (c) Bill market (d) None of these
- 12) Certificate of Deposits are issued in the form of usance
(a) Bill of exchange **(b) Promissory notes** (c) Commercial bills (d) None of these
- 13) The Issuers of certificate of Deposits are
(a) Drawer (b) Treasure bills **(c) Commercial banks** (d) Corporations
- 14) Bills that are accompanied by documents of title to goods are called
(a) Foreign bills (b) Indigeneous bills **(c) Documentary bills** (d) Demand bill
- 15) Liquidity status of certificate of deposit which is more negotiable is considered as

(a) certified liquidity (b) **more liquid** (c) term liquid (d) less liquid

16) Certificate of deposits which are usually negotiable are issued by
 (a) **banks** (b) stock exchange (c) business corporations (d) financial market

17) Negotiable deposit certificate are traded in
 (a) primary markets (b) direct markets (c) indirect markets (d) **secondary markets**

18) Type of market in which securities with less than one year maturity are traded is classified as
 (a) **Money market** (b) Capital market (c) Global market (d) None of these

19) Maximum maturity days of holding commercial paper are
 (a) 170 days (b) **270 days** (c) 120 days (d) 100 days

20) Certificate of deposits which are usually negotiable are issued by
 (a) **banks** (b) financial market (c) stock exchange (d) business corporations

21) Process of issuing treasury bills are classified as
 (a) Treasury trading action (b) **Treasury bills auction** (c) Both (d) None of these

22) Treasury bills have high liquidity because of
 (a) **extensive secondary markets** (b) extensive primary markets (c) premium money markets
 (d) discounted money markets

23) The short term financial instruments traded in money market is commonly called
 (a) Bonds (b) Shares (c) Notes (d) **Commercial papers**

24) Commercial paper issued with low interest rate thus commercial paper are categorized as
 (a) payable rating (b) commercial rating (c) poor credit rating (d) **better credit ratings**

25) Which of the following is not a characteristics of wholesale markets?
 (a) Firms deal with other firms (b) **Lending and borrowing is coordinated through banks**
 (c) Borrowing and lending is not intermediated (d) Very large quantities of money are at state

26) Which of the following world stock exchanges were in the top five by value of transaction in 2009?
 (a) London Stock Exchange (b) **Shanghai Stock Exchange** (c) Amsterdam Stock Exchange (d) Hong Kong Exchange

27) Match List I with List II and select the correct answer using the codes given below.

| List I | List II |
|---------------|-------------------------------|
| i) Auctioning | 1) Acquisition of securities |
| ii) Switching | 2) Sell government securities |
| iii) Trading | 3) Open market operation |
| iv) Grooming | 4) Highest bidder |

(a) (i)(ii)(iii)(iv)
 1 2 3 4

(b) **(i)(ii)(iii)(iv)**
4 3 1 2

(c) (i)(ii)(iii)(iv)
 2 3 1 4

(d) (i)(ii)(iii)(iv)
 3 4 1 2

28) Match List I with List II and select the correct answer using the codes given below.

| List I | List II |
|----------------------------|-------------------------------|
| i) Issue Mechanism | 1) Second well developed |
| ii) London Money Market | 2) Bearer bond |
| iii) New York Money Market | 3) Oldest market in the world |
| iv) Forms | 4) Public Debit office |

| | | | |
|------------------|------------------|------------------|------------------|
| (a) | (b) | (c) | (d) |
| (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) |
| 1 2 3 4 | 2 3 1 4 | 3 4 2 1 | 4 3 1 2 |

29) Match List I with List II and select the correct answer using the codes given below.

| List I | List II |
|-----------------------|---------------------------------|
| i) Tax Rebate | 1) Monetary management exercise |
| ii) Liquidity profile | 2) Central government |
| iii) RBI Special Role | 3) Gilt-edged securities |
| iv) Agencies | 4) Investors |

| | | | |
|------------------|------------------|------------------|------------------|
| (a) | (b) | (c) | (d) |
| (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) | (i)(ii)(iii)(iv) |
| 1 2 3 4 | 3 4 2 1 | 4 3 1 2 | 2 3 1 4 |

30) _____ market is a market for purely short term funds.

(a) **Capital** (b) Money (c) Financial (d) Equity

31) _____ market is not a single homogeneous market.

(a) Primary (b) Secondary (c) **Money** (d) Capital

32) _____ are the nerve centre of the whole money market.

(a) **Commercial banks** (b) Reserve bank (c) State bank (d) Indian Overseas bank

33) _____ is an instrument drawn by a seller of goods on a buyer of goods.

(a) Treasury bill (b) Certificate of deposit (c) **Commercial bill** (d) None of these

34) A _____ is one wherein no specific time of payment is mentioned.

(a) **Demand bill** (b) Documentary bill (c) Foreign bill (d) Indigeneous bill

35) _____ are drawn without accompanying any document.

(a) Demand bills (b) **Clean bills** (c) Documentary bills (d) Indigenous bills

36) _____ are those which do not arise out of genuine trade of transactions.

(a) Inland (b) Foreign (c) **Accommodation bills** (d) Clean

37) _____ plays a significant role in the Indian Money market.

(a) Treasury bills (b) Certificate of deposits (c) **Government securities** (d) None of these

38) The securities are sold to the higher bidder is known as _____

(a) Barganing (b) **Auctioning** (c) Pricing (d) Demand

39) Commercial bills maturity days are _____

(a) 30 days (b) 60 days (c) 90 days (d) **All of these**

40) Treasury Bills periodicity is _____

(a) 91 days (b) 182 days (c) 364 days (d) **All of these**

41) Bills that are drawn and payable in India on a person who is resident in India are called _____

(a) **Inland bills** (b) Foreign bills (c) Clean bills (d) Demand bills

42) What are features of commercial bills?

(a) Drawer (b) Acceptor (c) Payee (d) **All of these**

43) Sub markets are _____

- (a) Call Money Market (b) Acceptance Market (c) Bill Market (d) **All of these**

44) Match the following.

| | |
|-----------------------------|----------------------------------------------|
| (1) Certificate of deposits | (i) Commercial Banks, Financial Institutions |
| (2) Inland Bills | (ii) upto one year |
| (3) Treasury Bill | (iii) Drawn and payable with in India |
| (4) Maturity period | (iv) Promissory Note |

| | | | |
|-------------|--------------------|-------------|-------------|
| (a) | (b) | (c) | (d) |
| ABCD | AB C D | ABCD | ABCD |
| i ii iii iv | i iii iv ii | ii iii iv i | iv iii ii i |

45) Pick out the odd one.

- (a) 91 days (b) 182 days (c) 364 days (d) **36 days**

46) Which is not correctly Matched?

- (a) Documentary Bills - Documents of title to goods (b) Clean Bills - without accompany any document
(c) Foreign Bills - Drawn outside India (d) **Indigenous Bills - Genuine trade of transactions**

47) There is a Goat Market in _____ in Tamil Nadu.

- (a) Thirunelveli (b) Karaikudi (c) **Hosur** (d) Aathur

48) "What is a man if he is not a thief who openly charges as much as he can for the goods he sells ?".

- (a) **Rahul Gandhi** (b) Mahatma Gandhi (c) Ralph Nader (d) Jawaharlal Nehru

49) There is a weekly market for fire wood in_____.

- (a) **Aathur** (b) Hosur (c) Thoothukudi (d) Karaikudi

50) Investors can lodge their complaints with SEBI at : _____.

- (a) investorcomplaints@sebi.gov.in (b) investorcomplaints@sebi.gov.com (c) **investorcomplaints@sebi.com**
(d) asksebi@sebi.gov.in