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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| In \_\_\_\_\_\_\_\_ market investors purchase securities or assets from other investors. | Primary | Secondary | Capital | Derivatives |  | Option 2 | Option 2 | 1 |
| Zero-coupon bonds pay no interest to the holder and are issued at deep discount | True | False |  |  |  | Option 1 | Option 1 | 2 |
| Hedge fund is a privately managed fund and available only for limited investors and professionals (HNIs). | True | False |  |  |  | Option 1 | Option 1 | 1 |
| What is an IPO? | Issuance of Bonds to investors in secondary Market | An instrument of primary market to issue fresh equity capital to investors | An instrument of primary market to raise further equity capital from the stock markets | None of the above |  | Option 2 | Option 3 | 0 |
| Capital market is market for long term debt and equity securities. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| Calculate current yield for the bond which has a price of $800, face value of $1000 and coupon of 10%. | 0.125 % | 12.5 % | 1.25 % | 10 % |  | Option 2 | Option 2 | 3 |
| Shares that have been bought back or repurchased by the issuer is called as | Authorized Stock | Issued Stock | Outstanding Stock | Treasury Stock |  | Option 4 | Option 2 | 0 |
| Which one of below is not true in case of common stock? | Stock holders have right for dividend | Stock holders will be paid before preferred stock holders in case of liquidation | It will offer voting rights | Stock holders have right for bonus shares, if declared |  | Option 2 | Option 2 | 2 |
| A certificate issued by a US bank, representing shares of a foreign-based corporation, entitling the owner to dividends is | ADR | GDR | Euro Bond | None of the above |  | Option 1 | Option 1 | 2 |
| Non-investment grade bonds also known as? | Junk Bonds | Vanilla bonds | Bullet bonds | None of the above |  | Option 1 | Option 1 | 1 |
| This is the centralized securities location. Book keeping here is done in the electronic format | Custody | Vault | Depository | BNYM |  | Option 3 | Option 3 | 2 |
| Do we have the legal ownership of securities while serving as a custodian? | Yes | No |  |  |  | Option 2 | Option 2 | 1 |
| What is the settlement cycle for US equity stocks? | T+3 | T+2 | T+1 |  |  | Option 1 | Option 2 | 0 |
| What will be the NAV for ABC mutual fund who owns a portfolio of stocks worth $4,500,000 Liabilities of $475,000.00 and 350,000 outstanding shares? This MF unit was issued at $10 per Unit. | 1.15 | 11.5 | 111.5 | 10 |  | Option 2 | Option 2 | 3 |
| This participant is the intermediary between buyer and seller. Is also expected to be the member of a stock exchange | Trading Broker | Sub Custodian | Investment Advisor | Custodian |  | Option 1 | Option 1 | 1 |
| What is money market?( | Market to trade financial instruments for a period of more than a year | Market to trade financial instruments for a period of less than a year | Instruments traded in money market are Repo and Bonds only | None of the above |  | Option 2 | Option 2 | 2 |
| What is Market Order? | order to buy or sell a stock as soon as possible at the best price available | order to buy or sell a stock only at the specified price or better | order to buy or sell a stock when the price reaches or passes a specified point | None of the above |  | Option 1 | Option 1 | 2 |
| Settlement is a two way process which involves transfer of funds and securities or other assets on the settlement date. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| In which Trade Order, broker has all day to execute the order (no urgency) with no partials executions? | All or None order | Immediate or Cancel order | Fill or Kill order | Good till cancellation |  | Option 1 | Option 1 | 2 |
| A bond with a face value of $1,000, a coupon of 8% payable semi-annual, and a maturity of 10 years. Calculate the interest payable on every coupon date. | $80 | $40 | $800 | $400 |  | Option 2 | Option 1 | 0 |
| When referred to a bonds prices trading at premium, it actually means \_\_\_\_ | Bond Price > Face Value | Bond Price < Face Value | Bond Price = Face Value |  |  | Option 1 | Option 1 | 1 |
| Cash Capital and Non Cash Capital are the two major categories of capital deployed for business. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| Payments made out of a firms earnings to its owners in the form of cash or stock are called: | Dividends | Distributions | Share repurchases | Stock splits |  | Option 1 | Option 3 | 0 |
| The Treasury sells T-Bills at a discounted price to its Face Value. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| A custodian performs the following roles except | Creating investment strategies | Asset safe keeping | Tax reclaim | Income collection |  | Option 1 | Option 1 | 2 |
| \_\_\_\_\_\_\_\_\_\_ is a short-term unsecured promissory note issued by corporations and foreign governments. | Treasury bills | Repo Agreement | Commercial Paper | None of the above |  | Option 3 | Option 3 | 1 |
| Yield is the rate of return on an investment, described as a percentage of the amount of the investment. | True | False |  |  |  | Option 1 | Option 1 | 2 |
| Clearing is the process of determination of obligations, after which the obligations are discharged by settlement. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| A Clearing broker is an intermediate party located in country where trade is settling. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| In a global trade, on Settlement Date, BNY Mellons Sub custodian and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_make exchange of securities and cash | Trading Broker | Local Depository | Clearing Broker | Client |  | Option 3 | Option 1 | 0 |
| MGNL Ltd. issued its IPO at the price of INR. 500 per share, each share has the face value of INR. 10. Currently, shares are trading at INR. 545 with an outstanding shares of 1 million. What is the market capitalization of MGNL Ltd.? | 500000000 | 545000000 | 10000000 | 1000000 |  | Option 2 | Option 4 | 0 |
| Choose the correct option | Equity Returns = Capital Appreciation ? Dividends | Equity Returns = Capital Appreciation/Dividends | Equity Returns = (Capital Appreciation + Dividends)/ No of shares in hand | Equity Returns = Capital Appreciation + Dividends |  | Option 4 | Option 3 | 0 |
| Debt and equity together represent a companys capital structure. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| Derivatives are financial instruments whose value is based on or derived from the value of some other instrument (referred to as the underlying). | True | False |  |  |  | Option 1 | Option 1 | 1 |
| Financial regulators focus on? | Stronger Financial Institutions | Better Functioning Markets | Financial Stability | All of the above |  | Option 4 | Option 4 | 1 |
| In the case of a zero-coupon bond that repays at par, the return will be determined solely by the discount. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| If a bond is bought at a premium and held to maturity, then the return will be | Lower than the coupon rate. | Higher than the coupon rate | Equal to the coupon rate | None of the above |  | Option 1 | Option 1 | 2 |
| If a dividend is declared, its size is determined by management and then authorized by a shareholder vote. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| These preferred stockholders are entitled to a further share of the profits of the issuer. | Cumulative | Redeemable | Convertible | Participating |  | Option 4 | Option 2 | 0 |
| \_\_\_\_\_\_\_\_\_\_\_where companies looking to raise equity capital can issue shares of stock to investors. | A primary market | A secondary market | Derivative market | Foreign exchange market |  | Option 1 | Option 3 | 0 |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_remain in force until the order is either executed or canceled | Day orders | Good-til-canceled (GTC) orders | Fill-or-kill (FOK) orders | Immediate-or-cancel (IOC) orders |  | Option 2 | Option 2 | 2 |
| \_\_\_\_\_\_\_\_\_\_\_\_refers to trading that takes place through an informal network of dealers (dealers are entities that indicate willingness to sell or buy assets from investors). | Over-the-counter (OTC) market | Alternative trading venue | Regulated stock exchange | None of the above |  | Option 1 | Option 1 | 2 |
| Financial markets and products are heavily regulated. The key objectives of securities markets regulators is/are | To protect investors | To ensure that markets are fair, efficient, and transparent | To reduce systemic risk (the risk that the entire financial system will collapse) | All of the above |  | Option 4 | Option 4 | 1 |
| Which one of the below is called as Mutual Fund in US? | Open End | Closed End | Unit Investment Trust | None of the above |  | Option 1 | Option 1 | 1 |
| The first currency in a currency pair is known as: | Quoted | Compounded | Base | None of the above |  | Option 3 | Option 3 | 1 |
| What is a Spot FX? | Value date is more than 5 business days from trade date | Value date is more than 3 business days from trade date | Value date is not more than 2 business days from trade date | None of the above |  | Option 3 | Option 4 | 0 |
| In case of Indirect quotation a country&#65533;s home currency is considered as the Base currency. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| Investments in Mutual Funds are more risky as compared to direct investments in equity instruments. | True | False |  |  |  | Option 2 | Option 2 | 1 |
| Euroclear and Clearstream are the two international depositories | True | False |  |  |  | Option 1 | Option 1 | 1 |
| One of the major functions performed by NSCC is netting. | True | False |  |  |  | Option 1 | Option 1 | 1 |
| \_\_\_\_\_\_\_\_\_\_\_attempt to replicate the performance of a specified market index, such as the S&P 500. | Funds Defined by Sector | Index Funds | Money Market Funds | Hybrid Funds |  | Option 2 | Option 4 | 0 |
| Mutual funds generally calculate their NAV only once | At the opening of each trading day | At the end of each trading day | Real time calculation | All of the above |  | Option 2 | Option 2 | 2 |
| What does the bear and the bull stand for? | They are signs that the Stock Market is opened and closed | The bear means stocks are falling and the bull means stocks are going up. | The bear means stocks are rising and the bull means stocks are falling. | None of the above |  | Option 2 | Option 2 | 1 |
| Which one of the below is/ are objectives of Mutual Fund? | Preservation of capital | Income | Capital appreciation | All of the above |  | Option 4 | Option 4 | 1 |
| \_\_\_\_\_\_\_\_\_\_\_attempt to replicate the performance of a specified market index, such as the S&P 500 | Funds Defined by Sector | Index Funds | Money Market Funds | Hybrid Funds |  | Option 2 | Option 4 | 0 |
| In case of Indirect quotation a countrys home currency is considered as the Base currency. | True | False |  |  |  | Option 1 | Option 2 | 0 |
| In \_\_\_\_\_\_\_\_ market investors purchase securities or assets from other investors. | Primary | Secondary | Capital | Derivatives |  | Option 2 | Option 3 | 0 |