



मिशन BANK 2023

GA



मिशन BANK 2023

GA

**INDIAN MONEY
MARKET, भारतीय मुद्रा
बाजार**



What is money market?

मुद्रा बाजार क्या है?



Functions of Money Market

The following are the main functions of money market:-

(1) Supply of money for investment in trade, commerce and industry and agriculture.

(2) Acting as a link between the money lenders

मुद्रा बाजार के मुख्य कार्य :
and the borrowers

मुद्रा बाजार के निम्नलिखित मुख्य कार्य हैं:-

(1) व्यापार, वाणिज्य तथा उद्योग-धंधे और कृषि में पूँजी लगाने के लिए रुपये की पूर्ति करना।

(2) रुपया उधार देने वालों तथा लेने वालों के बीच एक कड़ी का काम करना।



Money Market Instruments?



1. Treasury Bill (T-Bill) Treasury bills or T-bills are issued by the Reserve Bank of India to raise funds on behalf of the central government. They have short term maturity up to a maximum of one year. Presently, T-Bills are issued with 3 different maturities, namely, 91 days T-Bills, 182 days T-Bills, 1 Year T-Bills.

1. ट्रेजरी बिल (टी-बिल)

ट्रेजरी बिल या टी-बिल केंद्र सरकार की ओर से धन जुटाने के लिए भारतीय रिजर्व बैंक द्वारा जारी किए जाते हैं। उनकी अल्पावधि परिपक्वता अधिकतम एक वर्ष तक होती है। वर्तमान में, टी-बिल 3 अलग-अलग परिपक्वता अवधि के साथ जारी किए जाते हैं, जो हैं, 91 दिन का टी-बिल, 182 दिन का टी-बिल, 1 वर्ष का टी-बिल अंकित मूल्य पर छूट पर जारी किए जाते हैं। परिपक्वता पर, निवेशक को अंकित मूल्य राशि मिलती है। पारंपरिक मूल्य और अंकित मूल्य के बीच का गूदा



2. Commercial Paper

- Large companies and businesses issue promissory notes
- papers are unsecured
- CPs have a fixed maturity period ranging from 7 days to 270 days.



3. Certificate of Deposit (CD):

- CDs are financial assets that are issued by banks and financial institutions. is issued for larger amounts (1 lakh or in multiples of 1 lakh thereafter).
- the maturity period of CDs ranges from 7 days to 1 year.
- Other financial institutions may issue CDs with maturities ranging from 1 year to 3 years.



Question 2: Which of the following instruments is NOT typically traded in the money market?

- A) Treasury bills**
- B) Commercial paper**
- C) Corporate bonds**
- D) Repurchase agreements**
- E) Certificates of deposit**

Answer: C) Corporate bonds



Question 1: Which of the following is a characteristic of the money market?

- A) Long-term maturity**
- B) High risk**
- C) Trading of financial instruments with short maturities**
- D) Primarily deals with equity shares**
- E) All of the above**

Answer: C) Trading of financial instruments with short maturities



Question 3: The primary purpose of the money market is to:

- A) Facilitate long-term borrowing for corporations**
- B) Generate high returns for investors**
- C) Provide a platform for trading stocks**
- D) Manage short-term liquidity needs**
- E) All of the above**

Answer: D) Manage short-term liquidity needs



Question 4: Which of the following is considered one of the most liquid money market instruments?

- A) Treasury bills**
- B) Municipal bonds**
- C) Preferred shares**
- D) Junk bonds**
- E) Real estate investment trusts (REITs)**

Answer: A) Treasury bills



Question 5: The interest rate at which banks lend to each other in the money market is called:

- A) Prime rate**
- B) MIBOR (Mumbai Interbank Offered Rate)**
- C) LIBOR (London Interbank Offered Rate)**
- D) Discount rate**
- E) Inflation rate**

Answer: B) MIBOR (Mumbai Interbank Offered Rate)



Question 6: Commercial paper is a short-term debt instrument issued by:

- A) Central banks**
- B) Individual investors**
- C) Corporations**
- D) Foreign governments**
- E) Non-profit organizations**

Answer: C) Corporations



Question 7: Which of the following is NOT a characteristic of money market funds?

- A) They are considered low-risk investments**
- B) They aim to maintain a stable net asset value (NAV)**
- C) They invest in a diversified portfolio of long-term securities**
- D) They provide easy access to cash**
- E) They are suitable for investors seeking liquidity and safety**

Answer: C) They invest in a diversified portfolio of long-term securities



Question 8: The maturity period of most money market instruments is typically:

- A) 10 years**
- B) 5 years**
- C) 2 years**
- D) 180 days**
- E) 30 days**

Answer: E) 30 days



Question 9: Which of the following is NOT a function of the money market?

- A) Facilitating short-term borrowing and lending**
- B) Providing a platform for trading long-term bonds**
- C) Maintaining liquidity in the financial system**
- D) Influencing short-term interest rates**
- E) Allowing central banks to implement monetary policy**

Answer: B) Providing a platform for trading long-term bonds



Question 10: The money market is crucial for:

- A) Long-term capital investments**
- B) Speculative trading**
- C) Financing government budget deficits**
- D) Funding large infrastructure projects**
- E) Financing mergers and acquisitions**

Answer: C) Financing government budget deficits

