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**School of Finance and Commerce**  
**Bachelor of Commerce Honours in Financial Market**  
**Mid Term Examination - Mar 2024**

**Duration : 90 Minutes**  
**Max Marks : 50**

**Sem VI - H1UC601T - Fixed Income Securities and Treasury Management**

General Instructions

*Answer to the specific question asked*

*Draw neat, labelled diagrams wherever necessary*

*Approved data hand books are allowed subject to verification by the Invigilator*

- 1) Discuss the steps involved in valuation of perpetual bonds. K2 (2)
- 2) What do you understand by redeemable and irredeemable debentures. Are they issued by the companies in India? What is the exception to the maximum maturity period of debentures in India? K1 (3)
- 3) Compare and contrast the characteristics of government bonds, corporate bonds, and municipal bonds. K2 (4)
- 4) How do changes in interest rates set by central banks influence the yields of bonds, and what are the broader implications for investors and the economy? K2 (6)
- 5) Describe the factors which cause risk in securities market? K3 (6)
- 6) What role does duration play in fixed income securities, and how is it calculated? Give justification to your answer. Also, discuss the advantages and disadvantages of fixed income securities. K3 (9)
- 7) What are callable and puttable bonds, and how do these features affect bond pricing and investor risk? K4 (8)
- 8) "A well-defined organizational structure provides a clear path for risk assessment procedures". Justify. K4 (12)

**OR**

Rule on a risk management framework for a financial institution to mitigate various financial risks. K4 (12)