



## **[Frequently Asked Questions]**

### **Money market in India**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B. A., 4th Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 404 Indian Financial System
<b>Unit No. &amp; Title:</b>	Unit – 4 Money Market & Debt Market in India
<b>Lecture No. &amp; Title:</b>	Lecture – 1 Money market in India

## **Frequently Asked Questions**

### **Q1. What is Money market?**

**A1.** A money market is a segment of the financial market in which financial instruments with high liquidity and very short maturities are been traded.

### **Q2. What is unorganized money market?**

**A2.** The unorganised money market mostly finances short-term financial needs of farmers and small businessmen.

### **Q3. Name few unorganised money lender.**

**A3.** Indigenous banker, Money Lenders, Non- Banking Financial Companies

### **Q4. What are T-Bills?**

**A4.** Treasury Bills are one of the safest money market instruments as Central Government issues them. They are zero-risk instruments, and hence returns are not that attractive. T-Bills are circulated by both primary as well as the secondary markets.

### **Q5. What are Commercial Bills?**

**A5.** Commercial Bills are issued by financial institutions. Commercial bills market is basically a market of instruments similar to Bill of Exchange.

### **Q6. Money Market Mutual Funds are introduced in which year?**

**A6.** 1992

**Q7. What are Repo rate?**

**A7.** Repurchase Agreements, which are also called as Repo

**Q8. What are Reverse Repo Rate?**

**A8.** Reverse Repo means buying a security on a spot basis with a commitment to resell on a forward basis.

**Q9. What is a banker acceptance?**

**A9.** Bankers Acceptance is like a short term investment plan created by non-financial firm, backed by a guarantee from the bank

**Q10. DFHI deals with which money instruments.**

**A10.** It deals in treasury bills, commercial bills, CDs, CPs, short term deposits, call money market and government securities.

**Q11. STFCI Finance Ltd is which kind of finance institution?**

**A11. STCI Finance Ltd.** (formerly known as Securities Trading Corporation of India Limited), is a systemically important non-deposit taking NBFC registered with Reserve Bank of India.