Q40

With reference to the Indian economy, "Collateral Borrowing and Lending Obligations are the instruments of: (a) Bond market (b) Forex market (c) Money market (d) Stock market Official key: C.

UPSC Civil Services Prelims 2024 · General Studies · 2 marks · Economy

Indian economy, budget, schemes - Prelims GS Paper I.

Explanation

(a)

Bond market. CBLO was a money-market collateralised borrowing product.

(b)

Forex market. Not FX.

(c) Official key

- **Money market. CBLO:** collateralised overnight / short-term borrowing and lending.

(d)

Stock market. Not equities.

Summary

Official key is (c) money market. Collateralised Borrowing and Lending Obligations (CBLO) were CCIL products for collateralised short-term lending - a money-market instrument (later migrated to the tri-party repo segment). Not bonds as a capital-market class, not forex, not stocks.

Related possible facts

These can be asked in a future Prelims paper.

CBLO

CCIL product; replaced in practice by triparty repo in G-Secs.

Money market

Short-term funds: call, T-bills, CP, CD, repo, CBLO/triparty repo.