3. Treasury Bill Market :-

Treasury Bill Market deals with treasury bills. Treasury bills are short term borrowings of the Central government and are issued by the Reserve Bank. treasury bills are issued by the Central government to meet its short term requirements. It is a kind of finance bill or promissory note issued by the government. Generally it is issued as 14, 91, 182 and 364 day treasury bills. T-bills are available for a minimum amount of ₹25000 and in multiplee of ₹ 25000. T-bills are issued at a discount and are redeemed at par.

Types of Treasury bills:- They are mainly two types of treasury bills such as Adhoc and Regular. Adhoc treasury bills issued by State government, semi government departments and foregin banks. These are not marketable and Are not sold to the banks and the general public.

Regular treasury bills are sold to the banks and the Public. Reserve bank of India sells both on behalf of central government. The Participants in the treasury bill Market includes RBI, SBI commercial banks, State ~~banks~~, govenments, DFHI, STCI, Financial Insitutions Like LIC, GIC, UTI, IDBI, ICICI, IFCI, NABARD etc, Co-operate customers, Public.

Advantages-

1. Safe. — treasury bills are safe because the government guarantee Payment of principal sum and interest.
2. Liquidity - It can be converted into cash at any time It can be done as per the option of the investor.
3. Suitable Short term Investment:-
4. Helpful to effective fund Management

5. Helpful to meet statutory requirements.
6. Source of short term funds to government
7. Prevaricate facility
8. Helps to control inflation.

4. Certificate of Deposits (CDs)

Certificate of deposit is a negotiable money market Instrument and issued in dematerialised form or as a Usance Promissory note, for funds deposited at a bank or other eligible financial Insitution for a specified time Period. CDs can be issued by (i) Scheduled commercial banks excluding Regional Rural Banks (RRBs) and local area Banks (ii) Select all India Financial Insitutions that have been Permitted by RBI to raise short term resources within the Umbrella Limit fixed by RBI. It is the next Lowest risk category investment option after treasury bills. Banks and Financial Insitiutions issue the Certificate of deposit. It is issued mainly to ~~aug~~ augment funds by attracting deposits from Corporate, high networth individuals, trusts etc.

There is no spefic issue ~~producer~~ Procedure for CDs. An Interested investor can approach any banker for it. It is the bank's ~~de~~ decision to accept or reject a deposit.

Merits

1. CDs are the most convenient Instrument. It enables them to invest their surplus fund for a high return.
2. It is transferable by endorsement and delivery. The holder can resell certificate to another. so it offers liquidity
3. It enables the banks to raise funds in times of need. so it ~~can~~ can improve its lending capacity.
4. The banks which possess Surplus funds, can invest the sum in deposits at attractive rates.