

C 21033

(Pages : 2)

Name.....

Reg. No.....

**SIXTH SEMESTER B.Com. DEGREE EXAMINATION
MARCH 2017**

(CUCBCSS-UG)

BCM 6B 14—FINANCIAL MARKETS AND SERVICES

Time : Three Hours

Maximum : 80 Marks

Part A

Answer all questions.

Each question carries 1 mark.

A. Choose the correct answer :

1. An order for the purchase of securities at a fixed price is known as :
(a) Limit order. (b) Open order.
(c) Discretionary order. (d) Stop loss order.
2. Which of the following leads to decrease in share capital ?
(a) IPO. (b) Buy back of shares.
(c) Listing. (d) Underwriting.
3. Under factoring, the factor acts in the capacity of :
(a) An agent of his client. (b) A trustee.
(c) A holder for value. (d) An administrator.
4. The market which helps commercial banks to maintain their SLR requirements is :
(a) Call loan market. (b) Discount market.
(c) Acceptance market. (d) Commercial bill market.
5. Zero interest bonds are sold at :
(a) Premium. (b) Par.
(c) Discount. (d) None of these.

B. Fill in the blanks :

6. Normally the debentures above _____ years cannot be issued.
7. Underwriting of shares by a financial intermediary is a kind of _____ activity.
8. _____ lease is for a limited period.
9. The SHCIL was set up in the year _____.
10. In India, forfaiting is done by _____ bank.

(10 × 1 = 10 marks)

Turn over

Part B (Short Answer Questions)

Answer any **eight** questions.
Each question carries 2 marks.

11. What is meant by demutualisation of stock exchanges ?
12. What is lease financing ?
13. What is call money market ?
14. What is a secured premium note ?
15. What is meant by NBFCs ?
16. Explain LAF.
17. What is warrant ?
18. What do you mean by securitisation ?
19. What is origination ?
20. What is meant by SENSEX ?

(8 × 2 = 16 marks)

Part C (Short Essay Questions)

Answer any **six** questions.
Each question carries 4 marks.

21. List out the criteria for listing of securities.
22. State the recent trends in Indian money market.
23. What is meant by buy back of shares ? State the legal provisions regarding buy back of shares.
24. What is a stock indices ? Explain different methods of constructing stock indices.
25. Explain the functions of new issue market.
26. Describe the merits and demerits of forfaiting.
27. Explain the initiatives taken by RBI to promote bill market in India.
28. Discuss the role of developmental institutions in the growth of financial markets.

(6 × 4 = 24 marks)

Part D (Essay Questions)

Answer any **two** questions.
Each question carries 15 marks.

29. Define financial service. List out different forms of financial services offered by the institutions.
30. "The Indian Stock Market is suffering from many limitations". What are they ?
31. "SEBI protect the interest of investors" Do you agree ? Elucidate.

(2 × 15 = 30 marks)