

25U182S

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Name :

Reg. No :

FIRST SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2025

(FYUGP)

CC24UCOM1MN105 - BASICS OF FINANCIAL MARKETS

(Commerce - Minor Course)

(2024 Admission - Supplementary/Improvement)

Time: 2.0 Hours

Maximum: 70 Marks

Credit: 4

Part A (Short answer questions)

Answer *all* questions. Each question carries 3 marks.

1. State two features of financial markets in the Indian Financial System. [Level:2] [CO1]
2. Explain the scope of the Indian Financial System. [Level:2] [CO1]
3. List the main instruments used in the Money Market. [Level:1] [CO2]
4. Examine the role of liquidity in the risk-return profile of Money Market Instruments. [Level:4] [CO2]
5. Illustrate how Certificates of Deposit are used by financial institutions to raise funds. [Level:3] [CO2]
6. List the key steps involved in issuing new securities in the Primary Market. [Level:1] [CO3]
7. Explain how liquidity in the Secondary Market affects the pricing of securities. [Level:2] [CO3]
8. Explain the role of regulatory authorities in overseeing a Rights Issue. [Level:2] [CO3]
9. Evaluate the advantages and disadvantages of using brokers compared to trading directly in the secondary market. [Level:5] [CO4]
10. What is stock index? What role do Sensex and Nifty play in the Indian stock market? [Level:1] [CO4]

(Ceiling: 24 Marks)

Part B (Paragraph questions/Problem)

Answer *all* questions. Each question carries 6 marks.

11. Discuss how the RBI controls inflation and ensures monetary stability in the economy. [Level:2] [CO1]
12. Explain the importance of NBFCs in promoting financial inclusion and economic development. [Level:2] [CO1]

13. Demonstrate the issuance process of Commercial Paper in India and its regulatory framework. [Level:3] [CO2]
14. Interpret the significance of market timing for a successful IPO and its potential impact on the offering price. [Level:2] [CO3]
15. Explain how ASBA works in practice, including the steps an investor must follow to apply for an IPO using ASBA. [Level:2] [CO3]
16. List the essential features of a Private Placement. [Level:1] [CO3]
17. Apply your knowledge to explain how stock exchanges facilitate trading for retail investors. [Level:3] [CO4]
18. Discuss why disclosure of financial information is necessary for listing. [Level:2] [CO4]
- (Ceiling: 36 Marks)**

Part C (Essay questions)

Answer any **one** question. The question carries 10 marks.

19. Explain the role of investment bankers in the Primary Market, and how they help companies raise capital through equity and debt offerings. [Level:2] [CO3]
20. Illustrate a real-life example of a company that benefited from listing its securities. [Level:3] [CO4]
What specific advantages did it gain?

(1 × 10 = 10 Marks)
