

SIXTH SEMESTER B.Com. DEGREE EXAMINATION, MARCH 2019

(CUCBCSS)

B.Com.

BCM 6B 14—FINANCIAL MARKET AND SERVICES

(Finance Specialisation)

Time : Three Hours

Maximum : 80 Marks

Part A

*Answer all questions.**Each question carries 1 mark.*

A. Choose the correct answer :

1. _____ refers to the cash which banks have to maintain with the RBI as a certain percentage of their demand and time liabilities.
- (a) SLR. (c) CRR.
(b) Bank rate. (d) None of the above.
2. _____ regulates the Indian capital market.
- (a) SEBI. (c) SCRA.
(b) CICA. (d) All the above.
3. CDs are _____ instruments issued by banks and financial institutions to raise large amount of money.
- (a) Long term. (c) Medium term.
(b) Short term. (d) None of these.
4. The factor under the factoring acts as _____.
- (a) A trustee. (c) A holder for value.
(b) An administrator. (d) An Agent.
5. _____ is a process of creating an artificial condition in the market to enhance the price of certain securities.
- (a) Cornering. (c) Option.
(b) Wash sales. (d) Rigging.

Turn over

B. Fill in the blanks :

- 8 _____ are also known as 'half commissioned men'.
- 7 _____ allows the customer to spend only up to the balance standing in his account.
- 8 _____ is the document which lay down the obligations and conditions of stock exchange and the company to protect the interest of the investing public.
- 9 MMMFs stands for _____.
- 10 _____ is a person not being a member of a stock exchange who acts on behalf of a stock broker as an agent.

(10 × 1 = 10 marks)

Part B (Short Answer Questions)

Answer any **eight** questions.

Each question carries 2 marks.

- 11 What is meant by Moral suasion ?
- 12 What do you mean by call money market ?
- 13 Who is a Budliwala ?
- 14 What do you mean by Repo ?
- 15 Who are stock brokers ?
- 16 What is meant by Bonus Shares ?
- 17 What is recourse factoring ?
- 18 What is meant by Primary Market ?
- 19 What is meant by Depository Participants ?
- 20 What is rematerialization ?

(8 × 2 = 16 marks)

Part C (Short Essay Questions)

Answer any **six** questions.

Each question carries 4 marks.

- 21 What are the weaknesses of the Indian Financial System ?
- 22 What are the features of money market ?

- 23 Differentiate Capital Market and Money Market.
- 24 What are the functions of Insurance ?
- 25 What are the advantages of listing of securities ?
- 26 Explain the benefits of underwriting ?
- 27 What are the objectives of depositories ?
- 28 What are the different types of preference shares ?

(6 × 4 = 24 marks)

Part D (Essay Questions)

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

- 29 "A well defined money market plays a key role for the development of financial system of a country". Comment.
- 30 What is stock exchange ? What are the features and functions of stock exchanges ?
- 31 What do you mean by new issue market ? Explain its functions and methods of floating new issues.

(2 × 15 = 30 marks)