

SIXTH SEMESTER B.Com. DEGREE EXAMINATION, MARCH/APRIL 2018

(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 _____ 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 Promissory note issued by the Government is called _____.

(a) Treasury bill.

(c) Commercial paper.

(b) CDs.

(d) Call money.

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 _____ bonds are sold at a large discount to their nominal value.

(a) Zero coupon.

(c) Floating rate.

(b) Deep discount.

(d) Option.

5 The Investor Education and Protection Fund has been set up by :

(a) NSE.

(c) BSE.

(b) SEBI.

(d) Central Government.

(B) Fill in the blanks:

6 Selling of securities without owning them is called _____.

7 _____ allows the customer to spend only up to the balance standing in his account

Turn

- 8 _____ is the link between the depository and the owner of securities.
- 9 In financial lease, _____ bears the risk of obsolescence.
- 10 The small investor's gateway to enter into big companies is _____.

(10 × 1 = 10 marks)

Part B (Short Answer Questions)

Answer any eight questions.

Each question carries 2 marks.

- 11 What do you mean by foreign bills ?
- 12 What do you mean by call money market ?
- 13 What is meant by depositories ?
- 14 What do you mean by Repos ?
- 15 What is forfaiting ?
- 16 What is rematerialization ?
- 17 What is recourse factoring ?
- 18 What is lease ?
- 19 What is meant by STCI ?
- 20 Who is an insurer ?

(8 × 2 = 16 marks)

Part C (Short Essay Questions)

Answer any six questions.

Each question carries 4 marks.

- 21 What are the functions of underwriters ?
- 22 What are the features of money market ?
- 23 Explain any four types of lease.
- 24 What are the objectives of merchant banking ?
- 25 What are the advantages of listing of securities ?

- 26 What are the features of venture capital ?
- 27 What are the objectives of depositories ?
- 28 What are the merits of on-line trading ?

(6 × 4 = 24 marks)

Part D (Essay Questions)

Answer any two questions.

Each question carries 15 marks.

- 29 What do you mean by financial services ? How financial services are classified ?
- 30 What do you mean by listing of securities ? What is listing agreement ? Explain the advantages and disadvantages of listing.
- 31 What do you mean by new issue market ? Explain its functions and methods of floating new issues.

(2 × 15 = 30 marks)