

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)