

(6 pages)

Reg. No. :

Code No.: 31188 E Sub. Code: CMBE 42

B.Com. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2025.

Fourth Semester

Banking and E-Commerce – Core

FINANCIAL MARKET AND SERVICES

(For those who joined in July 2022 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer:

1. The Money Market deals with _____.
 - (a) Long-term funds
 - (b) Short-term funds
 - (c) Foreign exchange
 - (d) Consumer goods

2. Treasury Bills are issued by _____.
 - (a) Reserve Bank of India
 - (b) State Bank of India
 - (c) Central Government
 - (d) Private Banks
3. Non-Banking Financial Institutions (NBFIs) deal mainly with _____.
 - (a) Agricultural loans
 - (b) Non-deposit taking and financial services
 - (c) Manufacturing activities
 - (d) Import-export trade
4. The main objective of Investment Companies is to _____.
 - (a) Manufacture goods
 - (b) Mobilize savings for investment in securities
 - (c) Provide agricultural loans
 - (d) Grant educational loans
5. The New Issue Market is also known as the _____.
 - (a) Secondary Market
 - (b) Primary Market
 - (c) Stock Exchange
 - (d) Money Market

6. Which of the following is not a method of floating new issues?
(a) Public issue (b) Rights issue
(c) Private placement (d) Margin trading
7. Factoring refers to _____.
(a) Sale of goods on credit
(b) Selling of accounts receivable to a third party (factor) for cash
(c) Purchase of shares in the stock market
(d) Providing long-term loans
8. In factoring, the client is the _____.
(a) Debtor
(b) Supplier or seller of goods
(c) Financial institution
(d) Government agency
9. Merchant Banking primarily deals with _____.
(a) Accepting deposits from the public
(b) Providing consultancy and financial services to business firms
(c) Selling consumer goods
(d) Manufacturing products

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10. The first Merchant Bank in India was set up by _____.
(a) ICICI Bank (b) State Bank of India
(c) Grindlays Bank (d) IDBI Bank

PART B — (5 × 5 = 25 marks)

Answer ALL questions by choosing either (a) or (b).
Each answer should not exceed 250 words.

11. (a) Write a short note on call money market.
Or
(b) Write a note on the role of commercial paper in the money market.
12. (a) Differentiate between leasing and hire purchase.
Or
(b) Explain the limitations of venture capital finance.
13. (a) Describe about offer for sale.
Or
(b) Mention the powers of SEBI in regulating the secondary market.

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14. (a) State the benefits of factoring to sellers.
Or
(b) Write a short note on SEBI guidelines for credit rating agencies.
15. (a) Differentiate between merchant banking and commercial banking.
Or
(b) State the features of merchant banking.

PART C — (5 × 8 = 40 marks)

Answer ALL questions by choosing either (a) or (b)
Each answer should not exceed 600 words.

16. (a) State the role of Government Securities Market in economic development.
Or
(b) Explain the procedure of issuing and discounting commercial bills.
17. (a) Discuss how investment companies contribute to the growth and development of the capital market.
Or
(b) Discuss the stages of venture capital financing.

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18. (a) Explain the various methods of floating new issues.
Or
(b) Describe the importance of stock exchange in economic development.
19. (a) Explain the functions of factoring.
Or
(b) Explain the role and the functions of CRISL.
20. (a) Explain the evolution and development of merchant banking services in India.
Or
(b) Discuss the services offered by merchant banks in India.

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