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Reg. No. : .....

Code No. : 12238 E Sub. Code : CMBE 42

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

Fourth Semester

Banking and E-Commerce – Core

FINANCIAL MARKETS 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. What is Commercial Paper?
  - (a) A type of government security
  - (b) A short-term debt instrument issued by private companies
  - (c) A long-term loan facility for businesses
  - (d) A type of certificate of deposit

2. What is the primary purpose of the Discount Market?
  - (a) To facilitate trading of Government securities
  - (b) To provide short-term funding to businesses
  - (c) To offer discounts on commercial paper
  - (d) To facilitate the trading of foreign exchange
3. What is the main objective of Venture Capital Funds?
  - (a) To provide long-term financing to established businesses
  - (b) To invest in stocks and shares
  - (c) To provide financing to start-ups and early-stage companies
  - (d) To offer small savings and provident funds
4. What is the primary feature of Unit Trust of India (UTI) ?
  - (a) It offers fixed deposits to individuals
  - (b) It provides hire purchase financing.
  - (c) It invests in a diversified portfolio of stocks and shares.
  - (d) It offers venture capital funding.

5. Who regulates the Secondary Market in India?
- (a) Reserve Bank of India
  - (b) Securities and Exchange Board of India (SEBI)
  - (c) Ministry of Finance
  - (d) Stock Exchanges
6. What is the main advantage of the Efficient Market Theory?
- (a) It ensures that all investors make profits.
  - (b) It provides a platform for companies to raise new capital.
  - (c) It ensures that market prices reflect all available information
  - (d) It regulates stock exchanges.
7. What is the primary benefit of Factoring for businesses?
- (a) Access to long-term loans
  - (b) Improved cash flow management
  - (c) Reduced credit risk
  - (d) Increased investment in Government securities.

8. Which credit rating agency is responsible for assigning credit scores to individuals in India?
- (a) CRISIL
  - (b) ICRA Limited
  - (c) CIBIL
  - (d) SEBI
9. Which of the following is a service provided by Merchant Bankers?
- (a) Accepting deposits from individuals
  - (b) Providing credit cards
  - (c) Managing initial public offerings (IPOs)
  - (d) Offering personal loans
10. What is a key quality required for Merchant Bankers?
- (a) Expertise in retail banking
  - (b) Knowledge of international trade
  - (c) Strong analytical and advisory skills
  - (d) Experience in commercial lending

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Write the importance of treasury bill market.

Or

- (b) Brief note on Certificate of Deposits.

12. (a) State the essentials of small savings.

Or

- (b) Examine the Unit Trust of India.

13. (a) Write a note on stock exchange.

Or

- (b) Give a note on Securities and Exchange Board of India.

14. (a) Describe the cost of factoring.

Or

- (b) Write the meaning of ICRA limited.

15. (a) Overview about the commercial banks.

Or

- (b) Explain the problems of merchant banking.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Discuss about the market for financial guarantee.

Or

- (b) Elaborate the importance of commercial bill markets.

17. (a) Enumerate the various types of non-banking financial intermediaries.

Or

- (b) Explain the term "Hire Purchase Finance"

18. (a) Explain the efficient market theory.

Or

- (b) Overview the functions of Securities and Exchange Board of India.

19 (a) Explain the factoring in abroad.

Or

(b) Describe about the CIBIL.

20 (a) Narrate the services of merchant bankers.

Or

(b) Explain the various qualities required for merchant bankers.

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