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Reg. No. : .....

Code No. : 32155 E Sub. Code : CMBE 42

B.Com. (CBCS) DEGREE EXAMINATION,  
APRIL 2024.

Fourth Semester

Banking and E-Commerce — Core

FINANCIAL MARKETS AND SERVICES

(For those who joined in July 2021 – 2022 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The market for short term loan is known as
  - (a) Call money market
  - (b) Treasury bills market
  - (c) Money market
  - (d) Acceptance market

2. Which of the following are called gilt edged securities?
  - (a) Shares of public limited companies
  - (b) Stocks of mutual funds
  - (c) Government securities
  - (d) Shares of private limited companies
3. Mutual fund is setup as a
  - (a) Trust
  - (b) An association
  - (c) Body of individual
  - (d) None of these
4. Seed capital is the stage of financing in
  - (a) Pre- start up
  - (b) Start up
  - (c) Second round finance
  - (d) Later stage finance
5. SEBI was established as
  - (a) April 12, 1981
  - (b) April 12, 1988
  - (c) April 12, 1989
  - (d) April 12, 1990

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6. It is a place where securities are introduced as an offer to public
  - (a) Primary market
  - (b) Secondary market
  - (c) Spot market
  - (d) Commodity market
7. The idea of providing factoring services was first thought of in India by
  - (a) Tandem Committee
  - (b) Malhotra Committee
  - (c) Vaghul committee
  - (d) None of these
8. The process of selling trade debts of a client to a financial intermediary is called
  - (a) Bill discounting
  - (b) Factoring
  - (c) Secularization
  - (d) Materialization
9. Merchant bankers perform the following role(s)
  - (a) Market new stock and bond issues for firms
  - (b) Provide advice to the firms as to market conditions, price, etc.
  - (c) Provide consultancy services for expansion etc.
  - (d) All of the above

10. One who underwrites corporate securities and advises clients on issues like corporate mergers
  - (a) Book runner
  - (b) ALM
  - (c) Forfeiting bank
  - (d) Merchant Banker

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) What are the features of money market?

Or

(b) State the risk involved in money market.
12. (a) What are the advantages of mutual fund?

Or

(b) Explain the features of UTI Act.
13. (a) What are the advantages of new issue market?

Or

(b) Explain the functions of stock exchange.
14. (a) What are the functions of factoring?

Or

(b) Briefly explain the mechanism of factoring.

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15. (a) Enumerate the functions of merchant banker.

Or

(b) Bring out the differences between Merchant banks and Commercial banks.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Briefly explain the structure of the Indian money market.

Or

(b) What are difference between the money market and capital market?

17. (a) Explain the different stages in financing by venture capital institution.

Or

(b) Differentiate the hire purchase and installment system.

18. (a) Explain the role of SEW.

Or

(b) Briefly discuss various methods of floating under new issue market.

19. (a) Briefly explain the cost and benefits of factoring.

Or

(b) Discuss the role of CRISIL.

20. (a) Explain the service rendered by Merchant banker.

Or

(b) Describe the problems and scope of merchant banking in India.