

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION DECEMBER 2018
(Third Semester)**

Branch - **COMMERCE (ACCOUNTING & FINANCE)**

FINANCIAL MARKETS AND INSTRUMENTS

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks!)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 State any four features of money market.
- 2 Define capital market.
- 3 What do you mean by treasury bills?
- 4 Who are the participants of treasury bill market?
- 5 Explain derivatives.
- 6 What is book building process?
- 7 State any four functions of stock exchange.
- 8 What is private placement?
- 9 Explain S&P CNX NIFTY.
- 10 State any four objectives of SEBI.

SECTION - B (25 Marks!)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a State the difference between money market and capital market.
OR
b Growth of capital market in India- Discuss.
- 12 a Write a note on 'Commercial paper'.
OR
b Explain the nature and types of commercial bills market.
- 13 a State the difference between forward contracts and future contracts.
OR
b Write a note on (a) Global Depository Receipts
(b) American Depository Receipts.
- 14 a What are the benefits of depository system?
OR
b Explain the current settlement procedure of stock trading in India.
- 15 a Explain any five major NSE CNX indices followed at present.
OR
b Discuss the deficiencies in Indian capital market.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Explain the classification of financial markets.
- 17 Discuss the role of financial institutions in Indian capital market.
- 18 What are the methods of floating new issue of securities?
- 19 What is listing of securities? State the current procedure followed in listing of securities.