

**PSG COLLEGE OF ARTS & SCIENCE**  
(AUTONOMOUS)  
**BCom DEGREE EXAMINATION DECEMBER 2017**  
(Third Semester)

Branch - **COMMERCE (FINANCIAL SYSTEM)**

**INDIAN FINANCIAL MARKETS**

Time : Three Hours

Maximum : 75 Marks

**SECTION-A (20 Marks)**

Answer **ALL** questions

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

- 1 What are the constituents of a financial system?
- 2 What is financial rate of return?
- 3 Who are the players in a capital market?
- 4 Mention any three features of foreign exchange market.
- 5 Give two functions of money market.
- 6 How does a repo rate work?
- 7 Write any two reasons for investing in government securities.
- 8 What is a wholesale debt market?
- 9 Write a note on secured promissory note.
- 10 What is a convertible bond?

**SECTION - B (25 Marks)**

Answer **ALL** Questions

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

- 11 a Explain the classification of financial assets and bring out their features.  
OR  
b Write a brief note on the financial guarantees market operating in India.
- 12 a What are the constituents of India capital market?  
OR  
b Write a short note on foreign exchange market.
- 13 a What are the types of bills? Explain.  
OR  
b Write in brief (a) Commercial paper and (b) Certificate of deposits.
- 14 a What is a wholesale debt market? Explain.  
OR  
b Write a note on clearing and settlement in government securities market.
- 15 a What are the objectives of credit rating?  
OR  
b What are the problems in corporate debt market?

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

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

- 16 Explain in detail the development of financial system in India.
- 17 Write an essay on settlement of transactions.
- 18 Give the structure of Indian money market and point out its deficiencies.
- 19 Enumerate the role of government securities market in an economy.
- 20 Write an essay on the methods of issues of securities in primary market and the reason for the existence of a secondary market.

Z-Z-Z

END