

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

**BCom DEGREE EXAMINATION DECEMBER 2017**  
(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 What is money market?
- 2 What are financial assets?
- 3 What is a treasury bill?
- 4 What is a certificate of deposit?
- 5 What is a debenture?
- 6 What is an option?
- 7 What is a stock exchange?
- 8 What is a depositing system?
- 9 What is a capital market?
- 10 State any two objectives of the securities exchange board of India (SEBI).

**SECTION - B (25 Marks)**

Answer **ALL** Questions

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

- 11 a What are the functions of the financial system.  
OR  
b What are the features of a money market.
- 12 a What are the various types of treasury bills.  
OR  
b Bring out the advantages of commercial papers.
- 13 a Explain the different methods of floating new issues.  
OR  
b What are the features of forward contracts.
- 14 a Explain the functions of a stock exchange.  
OR  
b What are the benefits of a depository system.
- 15 a Explain the powers of the securities exchange board of India.  
OR  
b Write a note on S & P CNXNIFTY.

**SECTION - C (30 Marks!)**

Answer any **THREE** Questions

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

- 16 Discuss the importance of the capital market.
- 17 List down the various money market instruments and state their features in detail.
- 18 Discuss the different types of options.
- 19 What are the advantages of listing of securities? Explain.
- 20 Discuss the importance of the stock market index.