

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2023  
(Fourth Semester)

Branch – COMMERCE (ACCOUNTING & FINANCE)

**FINANCIAL SERVICES**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

1. \_\_\_\_\_ is regarded as the fourth element of the financial system.  
(i) Financial services (ii) Financial markets  
(iii) Financial instruments (iv) Financial institutions
2. \_\_\_\_\_ banker is any person who is engaged in the business of issue of management either by making arrangement regarding selling, buying, securities to manager.  
(i) Money bankers (ii) Merchant Banking  
(iii) Non-Banking Institutes (iv) Unorganized
3. \_\_\_\_\_ act as an intermediary to link up the sources of ideas and the sources of fund.  
(i) Merchant banking (ii) Leasing  
(iii) Venture capital (iv) None of these
4. What is the full form of CRISIL?  
(i) Credit Rating Information Services of India Limited  
(ii) Credit Rating Investment Services of India Limited  
(iii) Credit Rating Insight Services of India Limited  
(iv) Credit Rating Indian Services for Investment and Liability
5. Services are mainly provided to foreign investors.  
(i) Factoring services (ii) Financial services  
(iii) Custodial services (iv) None of the above

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

6. a) Briefly explain the Significances of Financial Services.  
(OR)  
b) What are the Fund based financial services? Explain.
7. a) Explain the Various Types of Merchant Bankers.  
(OR)  
b) Describe the Important Benefits of Factoring.
8. a) Briefly explain the characteristics of Venture Capital.  
(OR)  
b) Explain the Advantages of Venture capital Assistance.
9. a) Who are the Participants in Securitization? Explain.  
(OR)  
b) Bring out Stages involved in the Credit rating.

Cont...

10. a) Explain the Functions of Underwriting of Securities.  
(OR)  
b) Who is Registrar and Share Transfer Agents?

**SECTION -C (30 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

11. a) Describe the recent Trends in Financial Sector in India.  
(OR)  
b) Enumerate the Characteristics of Financial Services.
12. a) Classify the Major Functions of Merchant Bankers.  
(OR)  
b) Elucidate the Classifications of Factoring Services.
13. a) Discuss the Stages of Venture Capital Financing.  
(OR)  
b) Identify the Methods of Venture Capital Investment.
14. a) Explain the Benefits and Problems of Securitization.  
(OR)  
b) Describe the Various types of Credit Rating Agencies.
15. a) Enumerate the Procedures followed by the Underwriting of Securities.  
(OR)  
b) Describe the Obligation and Responsibilities of Custodial Services.

Z-Z-Z

END

PSG COLLEGE OF ARTS & SCIENCE  
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BCom DEGREE EXAMINATION MAY 2023  
(Fourth Semester)

Branch – COMMERCE (ACCOUNTING AND FINANCE)

**ESSENTIALS OF BUSINESS COMMUNICATION**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

1. Communication starts with \_\_\_\_\_.  
(i) Encoding (ii) Sender  
(iii) Channel (iv) Feedback
2. Listening, reading, speaking and writing are all types of \_\_\_\_\_.  
(i) Communication skills (ii) Emotional barriers  
(iii) Evaluation techniques (iv) Nonverbal communication
3. List of items to be discussed and decided in a meeting is called as \_\_\_\_\_.  
(i) Resolution (ii) Minutes  
(iii) Invoice (iv) Agenda
4. Which of these are the most common type of business letters?  
(i) Letters of application (ii) Letters of enquiry  
(iii) Letters of order (iv) Letters of adjustment
5. On the \_\_\_\_\_ it is possible to get immediate feedback.  
(i) Letter (ii) Telephone  
(iii) E-mail (iv) Fax

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a What are the objectives of communication? Explain.  
OR  
b Explain the layout of business letter.
- 7 a State the essentials of effective business letter.  
OR  
b Describe the functions of business letter.
- 8 a Discuss the characteristics of report writing.  
OR  
b What are the steps in planning report? Explain.
- 9 a What are the terms used in offers and quotation letter? Explain.  
OR  
b What are the functions of sales letter? Explain.
- 10 a What are the components of communication? Explain.  
OR  
b Discuss the features of e-mail message.

Cont...

**SECTION -C (30 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

- 11 a Elaborate the principles of business communication.  
OR  
b Narrate the barriers of communication.
- 12 a Deliberate the types of business letter.  
OR  
b Enumerate the forms of communication.
- 13 a Elaborate the types of report.  
OR  
b State the preparing a report writing.
- 14 a Request for information regarding the availability and cost of products.  
OR  
b Draft a letter to a bank manager asking for the credit worthiness of your proposed customer.
- 15 a Discuss the various methods of visual communication.  
OR  
b Narrate the features of Fax.

Z-Z-Z

END

PSG COLLEGE OF ARTS & SCIENCE  
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BCom DEGREE EXAMINATION MAY 2023  
(Fifth Semester)

Branch – COMMERCE (ACCOUNTING & FINANCE)

FINANCIAL MARKETS AND REGULATIONS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

1. The following one is a financial asset:  
(i) Gold (ii) Silver  
(iii) Share (iv) Land
2. Government bond is a:  
(i) Short-term security (ii) Long-term security  
(iii) Medium-term security (iv) deposit create out of loans
3. The major player in the Indian money market is:  
(i) Commercial banks (ii) Reserve Bank of India  
(iii) Cooperative banks (iv) Indigenous banks
4. The market for extremely short period loans is called \_\_\_\_\_.  
(i) Treasury bill market (ii) Money market  
(iii) Acceptance market (iv) Call money market
5. Distribution is the function of sale of securities to unlimited \_\_\_\_\_.  
(i) investors (ii) brokers  
(iii) agents (iv) public
6. \_\_\_\_\_ is the suitable method where small companies issue shares.  
(i) Public issues (ii) Offer for sale  
(iii) Placement (iv) Right issue
7. An order for the purchase of securities at a fixed price is known as;  
(i) Limit order (ii) Open order  
(iii) Discretionary order (iv) Stop loss order
8. Speculation who neither buy nor sell securities in the market, but still trade on them is called:  
(i) Wolves (ii) Stage  
(iii) Lambe Ducks (iv) Bears
9. Normally, debentures above \_\_\_\_\_ years cannot be issued.  
(i) four (ii) five  
(iii) six (iv) seven
10. SEBI was set up on \_\_\_\_\_.  
(i) 12<sup>th</sup> April, 1968 (ii) 12<sup>th</sup> April, 1978  
(iii) 12<sup>th</sup> April, 1988 (iv) 12<sup>th</sup> April, 1998

Cont...

**SECTION - B (35 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 7 = 35)

11. a. Bring out the functions of financial system.  
(OR)  
b. Narrate the weaknesses of Indian financial system in India.
12. a. Explain the importance of money market.  
(OR)  
b. Describe the features of commercial papers.
13. a. State the mutual fund and its scope of mutual fund.  
(OR)  
b. Outline the different methods of floating new issue market.
14. a. Summarise the procedures for recognition of stock exchanges.  
(OR)  
b. Explain the main activities of the depository system in India.
15. a. Bring out the malpractices in securities market.  
(OR)  
b. State the SEBI and its objectives of SEBI.

**SECTION - C (30 Marks)**

Answer any THREE Questions

ALL Questions Carry EQUAL Marks

(3 x 10 = 30)

16. Discuss in detail about classifications of financial markets.
17. Enumerate the merits of treasury bills.
18. Analysis the principal steps involved in the public issue of shares.
19. Justify the functions of secondary market.
20. Point out the powers of Securities and Exchange Board of India (SEBI).

Z-Z-Z END

PSG COLLEGE OF ARTS & SCIENCE  
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BCom DEGREE EXAMINATION MAY 2023  
(Fifth Semester)

Branch – COMMERCE (ACCOUNTING & FINANCE)

**BANKING AND FINANCIAL INSTITUTIONS**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

1. In executing the standing instructions, there exists a relationship of \_\_\_\_\_.  
(i) debtors and creditors (ii) trustee and beneficiary  
(iii) bailee and bailor (iv) agent and principal
2. Which scheme concentrates on compact areas in financing agricultural activities?  
(i) Lead bank scheme (ii) Village adaptation scheme  
(iii) Service area approach (iv) Large scale industries
3. The document which can be used only for making local payment is:  
(i) A cheque (ii) A bill of exchange  
(iii) A banker's cheque (iv) A draft
4. One of the following endorsements is not a valid one \_\_\_\_\_.  
(i) partial endorsement (ii) restrictive endorsement  
(iii) facultative endorsement (iv) conditional endorsement
5. The most important principle of sound lending is \_\_\_\_\_.  
(i) security (ii) profitability  
(iii) safety (iv) cash credit
6. A legal title over share is created by executing \_\_\_\_\_.  
(i) negotiable (ii) Transfer deed  
(iii) unquoted (iv) mortgages
7. The Reserve Bank of India started functioning from \_\_\_\_\_.  
(i) 1<sup>st</sup> April, 1932 (ii) 1<sup>st</sup> April, 1933  
(iii) 1<sup>st</sup> April, 1934 (iv) 1<sup>st</sup> April, 1935
8. The important delivery channel of E-banking is \_\_\_\_\_.  
(i) home banking (ii) virtual banking  
(iii) internet banking (iv) mobile banking
9. The main functions of NABARD are to provide \_\_\_\_\_ to cooperative banks and RRBs.  
(i) refinance facilities (ii) loss assets  
(iii) doubtful assets (iv) non-performing assets
10. IDBI was established on \_\_\_\_\_.  
(i) 1<sup>st</sup> April, 1964 (ii) 1<sup>st</sup> May, 1964  
(iii) 1<sup>st</sup> June, 1964 (iv) 1<sup>st</sup> July, 1964

Cont...

**SECTION - B (35 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 7 = 35)

11. a. Bring out the banker's duty to maintain secrecy of customer's account.  
(OR)  
b. Describe the role of commercial banks in the economic development of a country.
12. a. State the features of a negotiable instrument.  
(OR)  
b. Explain the various types of endorsement.
13. a. Outline the principles of sound lending.  
(OR)  
b. Narrate the merits of stock exchange securities.
14. a. Develop the popular delivery channels in e-banking.  
(OR)  
b. Classify the functions of reserve bank of India (RBI).
15. a. State the IDBI and its types of financial assistance.  
(OR)  
b. Explain the lending operations of EXIM Bank.

**SECTION - C (30 Marks)**

Answer any THREE Questions

ALL Questions Carry EQUAL Marks

(3 x 10 = 30)

16. Discuss in detail about various types of relationship between banker and customer.
17. Justify the circumstances for dishonour of cheques.
18. Infer the precautions required to be taken by a banker in case of advance against the security of goods.
19. Point out the advantages of electronic banking.
20. Enumerate various functions of NABARD.

Z-Z-Z      END





**SECTION - B (35 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5 x 7 = 35)

11. a) Show the elements of risk.  
OR  
b) Sketch out the significance of portfolio management.
12. a) Narrate the different forecasting techniques.  
OR  
b) Outline the kinds of share valuation models.
13. a) Describe the significance of Dow theory.  
OR  
b) Explain the basic principles of technical analysis.
14. a) Bring out the steps of portfolio construction.  
OR  
b) State the components of capital asset pricing model.
15. a) Analyse the need for the portfolio revision.  
OR  
b) Classify the methods of portfolio evaluation.

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

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

16. Analyse the various phases of portfolio management.
17. Determine the factors affecting economic analysis.
18. Highlight the steps in selection of portfolio.
19. Summarize the various approaches of portfolio construction.
20. Trace out the constraints in portfolio revision.

Z-Z-Z

END

PSG COLLEGE OF ARTS & SCIENCE  
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BCom DEGREE EXAMINATION MAY 2023  
(Sixth Semester)

Branch – COMMERCE (ACCOUNTING & FINANCE)

PERSONAL INVESTMENT MANAGEMENT

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 x 1 = 10)

1. Employment of funds with the aim of achieving additional income is known as  
(i) Investment (ii) Speculation  
(iii) Gambling (iv) Biting
2. Which of the following risk cover the risk of market, interest rate risk and purchasing power risk?  
(i) Systematic risk (ii) Unsystematic risk  
(iii) Financial risk (iv) Business risk
3. Which of the following would be considered as risk free investment?  
(i) Gold and gold bonds (ii) Equity share in Non-listed companies  
(iii) Mutual Funds (iv) Post office saving certificate
4. Investors agree to invest in high-risk investment if only  
(i) There are any true speculation  
(ii) The predicted return is satisfactory for taking risk  
(iii) here are no safe options except for holding cash  
(iv) The return is short
5. Investments would score high if there is a protection to  
(i) Real estate (ii) Preferred stock  
(iii) Government bonds (iv) Common stock
6. Which of the following statements is calid for mutual funds in Indian?  
(i) Entry load is allowed (ii) Exit load is not allowed  
(iii) Exit load is allowed in some cases (iv) Entry load is not allowed
7. Who regulates the commodity derivates market in India?  
(i) RBI (ii) IRDAI  
(iii) PFRDA (iv) SEBI
8. When was the first organized future market established in India?  
(i) 1875 (ii) 1867  
(iii) 1874 (iv) 1990
9. Using the loopholes of law to reduce tax is known as  
(i) Tax evasion (ii) Tax planning  
(iii) Tax avoidance (iv) Tax management
10. Reducing tax liability, utilizing the deductions, exemptions allowed in the act and rules is called as  
(i) Tax evasion (ii) Tax planning  
(iii) Tax avoidance (iv) Tax management

SECTION - B (35 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 7 = 35)

11. a. Write a brief note about the importance of asset allocation and investment.  
OR  
b. Discuss about the factors that reduce the investment risk.

Cont...

12. a. Describe the benefits in investment in government securities.  
OR  
b. Write a brief note on postal insurance schemes.
13. a. Differentiate between shares and stock.  
OR  
b. Discuss about the pros and cons of investing in mutual fund.
14. a. Discuss about the risk and return of investing in commodity market.  
OR  
b. Write a brief note about the commodity exchange.
15. a. Summarize the need for tax planning.  
OR  
b. Write a short note on tax evasion and tax avoidance.

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

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

16. Elaborate the factors to be considered while making the choice of investment.
17. Discuss about the post office savings and its benefits.
18. Outline about the different kinds of brokers.
19. Highlight about the types of commodities.
20. Enumerate the tax saving options.

Z-Z-Z

END

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(Sixth Semester)

Branch – COMMERCE (ACCOUNTING & FINANCE)

**FINANCIAL DERIVATIVES**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

1. Financial Derivatives include -----  
i) Stocks                      ii) Bonds                      iii) Futures                      iv) None of these
2. The payoffs for financial derivatives are linked to -----  
i) Securities that will be issued in the future  
ii) The volatility of interest rates  
iii) Previously issued securities  
iv) Government regulations specifying allowable rates of return
3. The contract which gives the buyer the right but not obligation -----  
i) Options                      ii) Futures                      iii) Swaps                      iv) Forwards
4. The buyer in the derivative contract is also known as -----  
i) Deep in the contract                      ii) Middle in the contract  
iii) Short in the contract                      iv) Long in the contract
5. The option contract that can be exercised only at the date of maturity is called -----  
i) European option                      ii) American option  
iii) Bermudan option                      iv) Call option
6. Option strategy with combination of selling one put option at low strike price and buying put option at a high strike price -----  
i) Put bear spread                      ii) Call bear spread  
iii) Long call butterfly                      iv) Short call butterfly
7. There are two types of regular options (calls and puts). How many types of barrier options are there?  
i) Two                      ii) Four                      iii) Six                      iv) Eight
8. A fixed look back put option pays off which of the following-----  
i) The amount by which the final stock price exceeds the minimum stock price  
ii) The amount by which the maximum stock price exceeds the final stock price  
iii) The amount by which the strike price exceeds the minimum stock price  
iv) The amount by which the maximum stock price exceeds the strike price
9. A volatility swap is -----  
i) An instrument that swaps the change in the value of a market variable for a fixed amount  
ii) A swap involving an asset whose volatility is greater than a certain level  
iii) An exchange of the implied volatility of an option at a future time for a fixed volatility  
iv) An exchange of the realized volatility of an asset for a fixed volatility
10. Exotic options -----  
i) Can always be hedged just as easily as regular options  
ii) Are easier to hedge than regular options  
iii) Are more difficult to hedge than regular options  
iv) Are sometimes easier and sometimes more difficult to hedge than regular options.

Cont...

**SECTION - B (35 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5 x 7 = 35)

11. a) Explain the advantages of derivatives.  
OR  
b) Describe any five features of financial derivatives.
12. a) Analyse any five features of forward Contracts.  
OR  
b) Classify the advantages of Forward Trading Mechanism.
13. a) Outline the various types of financial future Contracts.  
OR  
b) Describe Stock Futures and Interest Rate Future.
14. a) What is forward contract? How the forward contract is differ from future contract?  
OR  
b) Differentiate between future market and option market.
15. a) Classify the types of swaps.  
OR  
b) State the features of swaps.

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

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

16. Discuss the Regulatory framework in Derivatives markets in India.
17. Explain the classification of Forward Contract.
18. Highlight and Benefits of Forward and Futures Markets in India.
19. What are the main factors determining an Option's Price or Premium?
20. Categorize the types of Interest Rate Swaps.

Z-Z-Z

END