

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom DEGREE EXAMINATION DECEMBER 2024
(Third Semester)

Branch - COMMERCE

FINANCIAL MARKETS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Which of the following is NOT a part of the financial market? a) Equity Market b) Commodity Market c) Labor Market d) Debt Market	K1	CO1
	2	Which entity is responsible for regulating the capital market in India? a) RBI b) SEBI c) IRDA d) Ministry of Finance	K2	CO2
2	3	Which type of market is responsible for issuing new shares? a) Primary Market b) Secondary Market c) Derivatives Market d) Forex Market	K1	CO1
	4	Which market allows for the trading of existing securities? a) Primary Market b) Secondary Market c) Tertiary Market d) Commodity Market	K2	CO2
3	5	What is traded in the commodities market? a) Bonds b) Commodities like oil, gold, and wheat c) Stocks d) Treasury Bills	K1	CO1
	6	The National Treasury Market deals primarily with: a) Forex b) Debt instruments c) Derivatives d) Equity shares	K2	CO2
4	7	Which of the following is an example of a commodity derivative? a) Forward Contract b) Equity Shares c) Bonds d) Corporate Loans	K1	CO1
	8	What does a futures contract involve? a) Immediate exchange of commodities b) Agreement to buy/sell at a future date c) Trading equity shares d) Issuing government bonds	K2	CO2
5	9	Merchant banking primarily deals with: a) Issuing government bonds b) Managing public issues of securities c) Lending money to businesses d) Regulating monetary policy	K1	CO1
	10	What is the role of SCORES in merchant banking? a) Managing stock trades b) Facilitating investor grievances redressal c) Issuing bonds d) Currency exchange management	K2	CO2

Cont...

SECTION - B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Discuss the role of the equity and debt markets in the Indian economy.	K2	CO1
		(OR)		
	11.b.	Explain the key elements of the Indian financial system and their functions.		
2	12.a.	Explain the process of listing on a stock exchange and its significance for companies.	K3	CO2
		(OR)		
	12.b.	Examine the importance of the secondary market in maintaining liquidity in the financial system.		
3	13.a.	Examine the functioning of commodity exchanges in India and their impact on the trade of natural resources.	K3	CO3
		(OR)		
	13.b.	Explain the role of FOREX markets in facilitating international trade and managing currency exchange risks.		
4	14.a.	Explain the relationship between financial derivatives and commodity derivatives and their respective uses in market speculation.	K4	CO4
		(OR)		
	14.b.	Discuss the factors influencing the pricing of commodity derivatives and how they differ from financial derivatives.		
5	15.a.	Explain the code of conduct for merchant bankers in India and its importance in ensuring ethical practices.	K4	CO5
		(OR)		
	15.b.	Examine the role of merchant bankers in managing public issues of securities and ensuring compliance with regulatory norms.		

SECTION - C (30 Marks)

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Analyze the evolution of debt markets in India and the challenges faced by these markets in recent years.	K3	CO1
2	17	Evaluate the functions of stock exchanges like NSE and BSE in maintaining transparency and liquidity in the equity markets.	K3	CO2
3	18	Discuss the functions of the treasury market and its significance in managing government debt and liquidity.	K4	CO4
4	19	Categorize the challenges to the financial service sector in recent periods.	K4	CO4
5	20	Analyze the regulatory framework followed by the Merchant banking in India.	K5	CO5

Z-Z-Z

END