

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

MCom DEGREE EXAMINATION DECEMBER 2025  
(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 market is known for trading long-term securities? a) Money Market                      b) Capital Market c) Forex Market                      d) Derivatives Market	K1	CO1
	2	Show on instrument is typically traded in the money market? a) Treasury Bills b) Corporate Bonds c) Equity Shares d) Commodity Futures	K2	CO1
2	3	Select a function of depository participant like NSDL or CDSL? a) Issuing currency b) Holding securities electronically c) Offering loans d) Conducting stock trading	K1	CO2
	4	What is an IPO? a) Investment Purchase Option b) Initial Public Offering c) Internal Pricing Option d) Interest Payment Obligation	K2	CO2
3	5	Find a commodity NOT traded in Indian markets? a) Oil                                      b) Gold c) Wheat                                      d) Corporate Bonds	K1	CO3
	6	What does FOREX stand for? a) Foreign Exchange Market b) Foreign Export Market c) Fixed Exchange Market d) Foreign Equity Market	K2	CO3
4	7	Recall a primary function of commodity derivatives? a) Speculation b) Risk Management c) Equity Trading d) Forex Trading	K1	CO4
	8	Which derivative gives the right but not the obligation to sell an asset at a future date? a) Call Option b) Put Option c) Futures Contract d) Treasury Bills	K2	CO4
5	9	Find a key function of a merchant banker? a) Issuing treasury bills b) Managing corporate mergers and acquisitions c) Currency trading d) Tax collection	K1	CO5
	10	Who regulates merchant banking in India? a) SEBI                      b) RBI                      c) IRDA                      d) NSE	K2	CO5

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**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.	Identify the functions and features of the over-the-counter (OTC) market in financial markets.	K3	CO1
		(OR)		
	11.b.	Explain the evolution of debt markets in India and the challenges faced by these markets.		
2	12.a.	Appraise the role of SEBI in regulating the equity markets and ensuring investor protection.	K5	CO2
		(OR)		
	12.b.	Explain the functions of depositories and their impact on the efficiency of equity market transactions.		
3	13.a.	Interest the key features of the National Treasury Market and the products traded in this market.	K3	CO3
		(OR)		
	13.b.	Evaluate the role of the treasury market in financial stability and economic growth.		
4	14.a.	Examine the characteristics of financial services that offer derivative instruments and their impact on the economy.	K4	CO4
		(OR)		
	14.b.	Analyse the challenges faced by the financial services sector in managing commodity derivatives.		
5	15.a.	List the responsibilities of merchant bankers in handling corporate mergers, acquisitions, and restructuring.	K4	CO5
		(OR)		
	15.b.	Assess evolution of merchant banking in India and the current regulatory framework for its operation.		

**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	Identify the differences between the money market and the capital market, and their roles in fulfilling the short-term and long-term financing needs of the economy.	K4	CO1
2	17	Analyze the process of IPOs (Initial Public Offerings) and the impact of listing on a company's financial strategy and market valuation.	K4	CO2
3	18	Evaluate the role of the FOREX market in managing currency risk and its impact on international trade and investment.	K4	CO3
4	19	Explain the types of commodity derivatives available in India and their significance in managing price volatility for businesses and investors.	K5	CO4
5	20	Justify the role of merchant bankers in managing public issues and their importance in the capital-raising process for companies.	K5	CO5

Z-Z-Z

END