

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2025
(Fifth Semester)

Branch – **COMMERCE (BUSINESS PROCESS SERVICES)**

CAPITAL MARKETS FOR BUSINESS PROCESS SERVICES

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

$(10 \times 1 = 10)$

Module No.	Question No.	Question	K Level	CO
1.	1	In India, which regulatory body primarily oversees the capital markets? a) RBI b) IRDAI c) SEBI d) NABARD	K1	CO1
	2	Which of the following is true about OTC markets? a) They operate on formal exchanges b) They are highly regulated c) They allow direct trading between parties d) Only equity securities are traded	K2	CO1
2	3	Which of the following is a characteristic of equity shares? a) Fixed dividend b) Voting rights c) Guaranteed return d) Priority in liquidation	K1	CO2
	4	Banker's Acceptance is primarily used in a) Retail loans b) Credit card transactions c) International trade d) Real estate	K2	CO2
3	5	Which service is offered by Prime Brokerage? a) Issuing debit cards b) Margin lending to hedge funds c) Offering savings accounts d) Property insurance	K1	CO3
	6	Global Custody Services are primarily concerned with a) Personal wealth management b) Retail banking c) Safekeeping of international financial assets d) Loan disbursement	K2	CO3
4	7	Which of the following is a major expense in a mutual fund? a) Electricity charges b) Fund manager fees c) Employee salaries d) Client food expenses	K1	CO4
	8	What is the purpose of reconciliation in asset management? a) To avoid hiring fund managers b) To match and verify records c) To sell off poor assets d) To increase taxation	K2	CO4
5	9	What does 'leverage' in derivatives refer to? a) Guarantee of profits b) Borrowing securities c) Gaining large exposure with small capital d) High interest rate	K1	CO5
	10	Market Risk refers to a) Risk of accounting fraud b) Risk of counterparty default c) Risk of market price movement d) Risk of poor product quality	K2	CO5

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.	Describe the importance of Capital market.	K3	CO1		
	(OR)					
	11.b.	What is a Master Agreement in trading and why is it important?				
2	12.a.	Define securities and explain the different types.	K4	CO2		
	(OR)					
	12.b.	Explain Risk-Free Rate and why is it important.				
3	13.a.	Discover importance of investment banking.	K5	CO3		
	(OR)					
	13.b.	What is Collateral Management and why is it essential?				
4	14.a.	Point out the objectives of mutual funds.	K4	CO4		
	(OR)					
	14.b.	What is Private Equity? Describe its investment operations and differences from public market investing.				
5	15.a.	Recall the difference between forwards and futures.	K3	CO5		
	(OR)					
	15.b.	Trace the types of risk in capital markets.				

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	Elaborate the different types of capital market.	K4	CO1
2	17	Examine the various types of capital market instruments with suitable examples.	K4	CO2
3	18	Identify the complete Trade Life Cycle in detail, highlighting each stage.	K4	CO3
4	19	Summarize the benefits of mutual funds.	K5	CO4
5	20	Outline the general types of derivatives.	K5	CO5