

**PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION DECEMBER 2025  
(Fifth Semester)**

**Branch – COMMERCE (COST & MANAGEMENT ACCOUNTING)**

**MAJOR ELECTIVE COURSE – I: FINANCIAL MARKETS AND SERVICES IN INDIA**

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	The financial system in India primarily consists of financial markets, financial instruments, and a) Educational institutions    b) Financial intermediaries c) Political parties            d) Foreign investors	K1	CO1
	2	The rate at which the Reserve Bank of India lends money to commercial banks is called the a) Reverse Repo Rate b) Cash Reserve Ratio (CRR) c) Repo Rate d) Statutory Liquidity Ratio (SLR)	K2	CO1
2	3	Which of the following is NOT a feature of money market instruments? a) High liquidity                    b) Low risk c) Short-term maturity            d) High expected returns	K1	CO2
	4	A Certificate of Deposit (CD) is issued by a) Corporations b) The government c) Banks d) The Reserve Bank of India (RBI)	K2	CO2
3	5	How are shares offered to the general public during an IPO? a) Through private contracts b) Through a prospectus c) By a special resolution in a general meeting d) Only to existing shareholders	K1	CO3
	6	Which of the following is also known as primary market? a) Stock market                    b) New issues market c) Bond market                    d) Secondary market	K2	CO3
4	7	Which of the following is an example of a secondary market? a) IPO (Initial Public Offering) b) FPO (Follow-on Public Offering) c) BSE d) SEBI	K1	CO4
	8	How many companies are included in the SENSEX index? a) 50                                b) 30                                c) 100                                d) 20	K2	CO4
5	9	Which year the Depository Act was enacted in India? a) 1992                            b) 1996                            c) 1999                            d) 2001	K1	CO5
	10	Which of the following is not a benefit of online trading? a) Faster execution of trades b) Higher transaction costs c) Greater accessibility to the market d) Instant confirmation of trades	K2	CO5

Cont...

**SECTION - B (35 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks  $(5 \times 7 = 35)$ 

Module No.	Question No.	Question	K Level	CO		
1	11.a.	State the objective of the financial system in India.	K2	CO1		
	(OR)					
	11.b.	What are the financial instruments? What are their characteristic features?				
2	12.a.	Discuss the importance of a commercial bill market.	K2	CO2		
	(OR)					
	12.b.	What do you know about certificate of deposit?				
3	13.a.	Write a note on public issues.	K2	CO3		
	(OR)					
	13.b.	Distinguish between Action-based offer for sale and follow on offer.				
4	14.a.	Describe the features of the different indices of BSE.	K3	CO4		
	(OR)					
	14.b.	Explain in detail the stock lending mechanism.				
5	15.a.	State the objectives of depository.	K4	CO5		
	(OR)					
	15.b.	Write a note on steps in security Trading.				

**SECTION - C (30 Marks)**

Answer ANY THREE questions

ALL questions carry EQUAL Marks

 $(3 \times 10 = 30)$ 

Module No.	Question No.	Question	K Level	CO
1	16	Classify the various financial intermediaries functioning in the Indian financial system and bring out their features.	K3	CO1
2	17	Outline the various money market instruments and state their features in brief.	K2	CO2
3	18	Explain the functions of new issue market.	K3	CO3
4	19	Critically examine the role of stock exchanges in the financial system of a country.	K3	CO4
5	20	Describe the advantages of depository system.	K4	CO5