

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

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

Branch – **COMMERCE (FINANCIAL SYSTEM)**

FINANCIAL MARKETS AND INSTITUTIONS

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 instrument is used by the Government for short-term borrowing? a) Commercial bill b) Treasury bill c) Call money d) None	K1	CO1
	2	The main feature of a financial market is a) Trading of physical goods b) Involves monetary transactions only c) Buying and selling of financial instruments d) Deals only with long-term funds	K2	CO1
2	3	The New Issue Market is also known as the a) Secondary Market b) Primary Market c) Money Market d) Foreign Exchange Market	K1	CO2
	4	The Nifty index belongs to a) BSE b) NSE c) RBI d) Ministry of Finance	K2	CO2
3	5	Money Market deals in funds with maturity period of: a) Less than one year b) More than one year c) More than five years d) Ten years	K1	CO3
	6	A Trade Bill is a) A bill drawn by seller on the buyer b) A government security c) A currency note d) A cheque	K2	CO3
4	7	Which of the following is a National Level Financial Institution? a) State Finance Corporation b) NABARD c) District Cooperative Bank d) Regional Rural Bank	K1	CO4
	8	The National Housing Bank (NHB) was established in a) 1956 b) 1988 c) 1992 d) 2000	K2	CO4
5	9	The main function of CCIL is a) Provide loans to exporters b) Facilitate clearing and settlement of money market and government securities transactions c) Issue treasury bills d) Regulate stock exchanges	K1	CO5
	10	DFHI was established by a) SEBI b) RBI along with public sector banks c) Ministry of Finance only d) Private investors	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.	Explain the various functions of Financial Markets in India.	K2	CO1
	(OR)			
	11.b.	Describe the features of Foreign Exchange Markets in India.		
2	12.a.	Elaborate the recent trends in primary market in India.	K3	CO2
	(OR)			
	12.b.	Discuss the main functions of secondary market in India.		
3	13.a.	Provide the main features of Indian Money Market.	K4	CO3
	(OR)			
	13.b.	Differentiate commercial paper from certificate of deposit.		
4	14.a.	Explore the different kinds of State Level Financial Institutions in India.	K4	CO4
	(OR)			
	14.b.	Compute the various objectives of National Housing bank.		
5	15.a.	Determine the various objectives of STCI.	K3	CO5
	(OR)			
	15.b.	Examine the various functions ICRA.		

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	Distinguish Money Market from Capital Market.	K4	CO1
2	17	Examine the various functions of SEBI.	K4	CO2
3	18	List the advantages and disadvantages of Treasury Bills.	K4	CO3
4	19	Examine the main objectives and various functions of NABARD.	K4	CO4
5	20	Analyse the various functions of OTCEI.	K4	CO5

Z-Z-Z END