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PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2026
(Sixth Semester)

Branch – **COMMERCE (ACCOUNTING & FINANCE)**

FINANCIAL MARKETS AND REGULATIONS

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	What is a financial market? (i) A place where goods are bought and sold (ii) A system where financial assets are bought and sold (iii) A place for agricultural trade (iv) A market for real estate	K1	CO1
	2	Which of the following is a capital market instrument? (i) Treasury Bills (ii) Commercial Paper (iii) Equity Shares (iv) Call Money	K2	CO1
2	3	Who regulates the issue of Commercial Papers in India? (i) SEBI (ii) RBI (iii) Ministry of Finance (iv) NSE	K1	CO2
	4	Which of the following are types of bills in the money market? (i)Trade bills and finance bills (ii)Equity shares and preference shares (iii)Government bonds only (iv)Treasury receipts	K2	CO2
3	5	What is a capital market? (i) Market for short-term funds only (ii) Market for long-term funds including equity and debt instruments (iii) Market for agricultural products (iv) Market for currency exchange	K1	CO3
	6	Equity shares represent (i) Ownership in a company (ii) Debt owed by a company (iii) Government securities (iv) Short-term loans	K2	CO3
4	7	Which of the following is a function of a stock exchange? (i) Providing liquidity for securities (ii) Price discovery for securities (iii) Facilitating capital formation (iv) All of the above	K1	CO4
	8	Which of the following is a method of trading in a stock exchange? (i) Open outcry / Floor trading (ii) Electronic trading / Screen-based trading (iii) Both A and B (iv) Only physical settlement	K2	CO4
5	9	What does SEBI stand for? (i) Securities and Banking Exchange of India (ii) Securities and Exchange Board of India (iii) Stock Exchange Board of India (iv) Securities and Equity Board of India	K1	CO5
	10	When was SEBI established as a statutory body? (i) 1988 (ii) 1992 (iii) 1995 (iv) 2000	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.	Define Financial Market and its primary functions.	K1	CO1
		(OR)		
	11.b.	Describe the structure of the Indian Money Market.		
2	12.a.	Spell the meaning of Treasury Bills? Explain their types.	K2	CO2
		(OR)		
	12.b.	Enumerate the operations of the Call Money Market		
3	13.a.	State the meaning of Equity Shares. Summaries their characteristics.	K2	CO3
		(OR)		
	13.b.	Discribe the SEBI guidelines for IPOs.		
4	14.a.	Examine the criteria for listing of securities on a stock exchange.	K4	CO4
		(OR)		
	14.b.	Identify the mechanism of the Depository System.		
5	15.a.	Describe the major malpractices in the securities market.	K4	CO5
		(OR)		
	15.b.	Analyze how SEBI protects investors from market malpractices.		

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	Recall how Money Market and Capital Market instruments are used to meet short-term and long-term financial requirements respectively.	K1	CO1
2	17	Summarize the operations of the Call Money Market and Repo Market in India.	K2	CO2
3	18	Illustrate the Equity Shares and Fixed Income Securities as investment avenues.	K2	CO3
4	19	Sketch the functions of a Stock Exchange and the listing procedure of securities.	K3	CO4
5	20	Evaluate the objectives, functions, and powers of Securities and Exchange Board of India	K2	CO5

Z-Z-Z END