

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

**BCom (FS) DEGREE EXAMINATION MAY 2022
(Fourth Semester)**

Branch – COMMERCE (FINANCIAL SYSTEMS)

FINANCIAL MARKETS

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 1 = 10)

- 1 The component of a capital market is
 (i) Treasury bill market (ii) Government Securities market
 (iii) Commercial bill market (iv) Long-term security
- 2 Government bond is
 (i) Short-term security (ii) Long-term security
 (iii) Certificate of bonds (iv) Medium-term security
- 3 New issue market deals with ----- securities.
 (i) Old (ii) Offer
 (iii) New (iv) Discount
- 4 The component of a capital market is
 (i) Treasury bill market (ii) Government securities market
 (iii) Bill market (iv) Commercial market
- 5 New issue market deals with ----- securities.
 (i) Old (ii) Offer
 (iii) New (iv) Discount
- 6 ----- is the suitable method where small companies issue shares.
 (i) Placement (ii) Public
 (iii) Market (iv) Underwriting
- 7 The market for short-term loans is known as
 (i) Call money market (ii) Treasury bill market
 (iii) Money market (iv) Acceptance market
- 8 Treasury bills, also known as -----
 (i) T-bills (ii) W-bills
 (iii) S-Bills (iv) Y-bills
- 9 A-----is a loan against a residential property.
 (i) Mortgage (ii) Lease hold property
 (iii) Bank (iv) Insurance
- 10 The debt market is one of the important platforms for raising -----.
 (i) Credit (ii) Income
 (iii) Debt (iv) Expenses

Cont...

SECTION - B (35 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 7 = 35)

- 11 a Describe the role of financial markets.
OR
b List out the financial instruments.
- 12 a Describe the role of new issue market.
OR
b What are the functions of new issue market?
- 13 a State the disadvantages of listing of securities.
OR
b Explain the merits of online trading.
- 14 a Point out the objectives of money market.
OR
b Describe the types of treasury bills.
- 15 a State the advantages of debt market.
OR
b Distinguish between Equity Market and Debt Market.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Discuss the functions of financial markets.
- 17 Explain the methods of new issue market.
- 18 Distinguish between stock exchange and commodity exchange.
- 19 Distinguish between money market and Capital market.
- 20 Explain the types of corporate debt instruments.

Z-Z-Z

END