

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

**BCom DEGREE EXAMINATION DECEMBER 2019
(Third Semester)**

Branch - COMMERCE (ACCOUNTING & FINANCE)

FINANCIAL MARKETS AND INSTRUMENTS

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks!)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 Define money market.
- 2 What is meant by capital market?
- 3 What is discounting?
- 4 Define treasury bill?
- 5 Define shares.
- 6 What is right issue?
- 7 Define stock exchange.
- 8 What is dematerialization?
- 9 What is meant by stock market index?
- 10 What is meant by SENSEX?

/. **SECTION - B (25 Marks)**

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a What are the classifications of financial markets?
OR
b Discuss the features of money market.
- 12 a Write short notes on certificate of deposit.
OR
b Discuss about the process of bill writing.
- 13 a Write short notes on derivatives and forward contract.
OR
b Briefly explain about the book building process.
- 14 a Discuss the procedure for listing of securities.
OR
b What are the benefits of depository system?
- 15 a Why is stock market index important?
OR
b What are the powers of Securities Contract Act 1956?

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

- 16 Discuss about the growth of capital markets in India.
- 17 Explain briefly about the commercial paper.
- 18 Discuss briefly about the methods of floating new issues.
- 19 Explain about the functions of stock exchange.
- 20 Briefly discuss about the functions and powers of SEBI.