

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2023
(Fifth 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 x 1 = 10)

1. The following one is a financial asset:
(i) Gold (ii) Silver
(iii) Share (iv) Land
2. Government bond is a:
(i) Short-term security (ii) Long-term security
(iii) Medium-term security (iv) deposit create out of loans
3. The major player in the Indian money market is:
(i) Commercial banks (ii) Reserve Bank of India
(iii) Cooperative banks (iv) Indigenous banks
4. The market for extremely short period loans is called _____.
(i) Treasury bill market (ii) Money market
(iii) Acceptance market (iv) Call money market
5. Distribution is the function of sale of securities to unlimited _____.
(i) investors (ii) brokers
(iii) agents (iv) public
6. _____ is the suitable method where small companies issue shares.
(i) Public issues (ii) Offer for sale
(iii) Placement (iv) Right issue
7. An order for the purchase of securities at a fixed price is known as;
(i) Limit order (ii) Open order
(iii) Discretionary order (iv) Stop loss order
8. Speculation who neither buy nor sell securities in the market, but still trade on them is called:
(i) Wolves (ii) Stage
(iii) Lambe Ducks (iv) Bears
9. Normally, debentures above _____ years cannot be issued.
(i) four (ii) five
(iii) six (iv) seven
10. SEBI was set up on _____.
(i) 12th April, 1968 (ii) 12th April, 1978
(iii) 12th April, 1988 (iv) 12th April, 1998

Cont...

SECTION - B (35 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 7 = 35)

11. a. Bring out the functions of financial system.
(OR)
b. Narrate the weaknesses of Indian financial system in India.
12. a. Explain the importance of money market.
(OR)
b. Describe the features of commercial papers.
13. a. State the mutual fund and its scope of mutual fund.
(OR)
b. Outline the different methods of floating new issue market.
14. a. Summarise the procedures for recognition of stock exchanges.
(OR)
b. Explain the main activities of the depository system in India.
15. a. Bring out the malpractices in securities market.
(OR)
b. State the SEBI and its objectives of SEBI.

SECTION - C (30 Marks)

Answer any THREE Questions

ALL Questions Carry EQUAL Marks

(3 x 10 = 30)

16. Discuss in detail about classifications of financial markets.
17. Enumerate the merits of treasury bills.
18. Analyse the principal steps involved in the public issue of shares.
19. Justify the functions of secondary market.
20. Point out the powers of Securities and Exchange Board of India (SEBI).

Z-Z-Z END