

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2022  
(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. \_\_\_\_\_ is the organizations, institutions that provide long term funds.  
(i) Capital market (ii) Money market  
(iii) Primary market (iv) Secondary market.
2. \_\_\_\_\_ is a market for lending & borrowing of short term funds.  
(i) Primary market (ii) Money market  
(iii) Capital market (iv) All of the above.
3. Which of the following statements is not true with regard to Commercial paper?  
(i) Is a long-term unsecured promissory note with a fixed maturity period.  
(ii) It usually has a maturity period of 15 days to one year.  
(iii) It is sold at a discount and redeemed at par.  
(iv) Companies use this instrument for bridge financing.
4. Which of the following are the instruments of money market?  
(i) Trade bills (ii) Certificate of deposits  
(iii) Call money (iv) All of the above.
5. Who issues a treasury bill?  
(i) Any nationalized bank (ii) Any private sector bank  
(iii) Reserve Bank of India (iv) All of the above.
6. The capital market consists of -----  
(i) Development banks (ii) Commercial banks  
(iii) Stock exchanges (iv) All of the above
7. It acts like a bank and keeps securities in electronic form on behalf of the investor, -----  
(i) Depository Participant (ii) Depository  
(iii) Stock exchange (iv) None of the above.
8. The process of holding shares in electronic form is known as-----  
(i) Demutualization (ii) Dematerializations  
(iii) Speculation (iv) None of the above.
9. SEBI has allowed celebs to endorse which products?  
(i) Stocks and shares (ii) Mutual funds  
(iii) Dividends (iv) Insurance.
10. SEBI has relaxed investment rules for which funds?  
(i) Angel Funds (ii) Mutual Funds  
(iii) Debt Funds (iv) None of the above

Cont...

**SECTION - B (35 Marks)**

Answer **ALL** Questions

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

11.a Explain the relationship between Money market and Capital market.

OR

b Explain the role and functions of Financial Market.

12. a What is a commercial paper? Explain its benefits to Industries.

OR

b Explain the types of Bills.

13. a Write an essay on the functions of New Issue Market.

OR

b What do you know about certificate of deposit?

14. a Outline the criteria for listing of Securities in Stock Exchanges.

OR

b Define a depository and state the objectives of depository.

15. a Explain the role and functions of SEBI.

OR

b List out the Malpractices in Securities Market.

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

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

16. Show the classification of Indian financial markets in the form of a chart and explain the features of each market.

17. "Commercial banks are special among the intermediaries for the development of the economy". Justify.

18. State the eligibility Norms for public issues.

19. What do you mean by listing of securities? Explain its process.

20. Explain the detail about the Features of Securities Contracts (Regulations) Act, 1956.

Z-Z-Z

END