



*Gambhira*

## Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD)  
Re-accredited with 'A++' Grade by NAAC. Recognised by UGC Under Section 12B  
Coimbatore - 641 043, Tamil Nadu, India

### Bachelor's Degree Examination – November 2024 III Semester

Class : II UG  
Major : B.Com / B.Com CA

Time: 3 Hours  
Max. Marks: 100

#### 23BCODE1D/23BCCDE1D Financial Markets and Services

#### Course Outcomes :

- CO1: Acquire knowledge on the Capital Market.  
CO2: Gain knowledge on Asset classes.  
CO3: Understand about Investments Funds and Foreign Exchange.  
CO4: Know about the Equities and Bonds.  
CO5: Understand about the Derivatives.

#### Part A

#### Choose the Correct Answer

10x 1=10

1. A person appointed by a stock broker to assist him in the business of securities trading is called  
a. Sub-broker  
b. Commission broker  
c. Authorised Clerk  
d. Tarawaniwala  
CO1 K1
2. The investor Education and Production fund has been setup by  
a. NSE  
b. Central Government  
c. BSE  
d. SEBI  
CO1 K1
3. The major player in the Indian money market is  
a. Cooperative Banks  
b. Indigenous Banks  
c. Commercial Banks  
d. Reserve Bank of India  
CO2 K1
4. The best suited fund to the business people is  
a. Income Fund  
b. Balanced Fund  
c. Growth Fund  
d. Taxation Fund  
CO2 K1
5. Which of the following securities has the most possible risk as well as the highest potential return?  
a. Preferred Stocks  
b. Commercial Paper  
c. Derivative Securities  
d. Bonds  
CO3 K1
6. Which of the following entities primarily issues SEDOL codes?  
a. New York Stock Exchange  
b. NASDAQ  
c. Tokyo Stock Exchange  
d. London Stock Exchange  
CO3 K1
7. Bonds does not pay interest throughout its life but is issued at a discount and redeemed at face value  
a. Callable Bond  
b. Municipal Bond  
c. Zero-Coupon Bond  
d. Floating-Rate Bond  
CO4 K1
8. The information which is required on a bond trade ticket to identify the specific bond being traded  
a. Settlement Date  
b. Coupon Rate  
c. Issuer Name and Bond Identifier  
d. Broker Commission  
CO4 K1
9. Financial Derivatives are mainly used for  
a. Speculative Activities  
b. Creating more Risk  
c. Hedging Risk  
d. Earning Income  
CO5 K1
10. In option contract, if the option can be exercised only at the time of maturity it is called  
a. Double Option  
b. American Option  
c. Put Option  
d. European Option  
CO5 K1

**Part B**

**5x 6 = 30**

**Answer ALL questions**

**Each answer should not exceed 400 words or two pages**

- 11.a. Briefly explain the players in new issue market. CO1 K2  
(or)  
11.b. Classify the brokers and explain their functions. CO1 K2
- 12.a. Difference between money market and capital market. CO2 K2  
(or)  
12.b. What are the risk associated with mutual funds? Explain it. CO2 K2
- 13.a. Write a note on Global Depository Receipt. CO3 K2  
(or)  
13.b. Explain the role of International Securities Identification Numbering System. CO3 K2
- 14.a. Explain the features of bonds. CO4 K2  
(or)  
14.b. What are the relationship for premiums and discounts. CO4 K2
- 15.a. Define the term 'Derivatives' and bring out its importance. CO5 K2  
(or)  
15.b. Explain the features of sawps. CO5 K2

**Part C**

**5 x 12 = 60**

**Answer ALL questions**

**Each answer should not exceed 800 words or four pages**

- 16.a. Describe the methods of trading in a stock Exchange. CO1 K3  
(or)  
16.b. Explain the working of various credit rating agencies in India. CO1 K3
- 17.a. Discuss various money market instruments and state their features in brief. CO2 K3  
(or)  
17.b. Describe the various types of mutual fund. CO2 K3
- 18.a. Explain the different types of equity capital. CO3 K3  
(or)  
18.b. Point out the procedures to invest in stock based on price earning ratio. CO3 K3
- 19.a. Discuss the benefits of investing in bonds. CO4 K2  
(or)  
19.b. Describe the components of Bond Trade Ticket? CO4 K3
- 20.a. Discuss the various types of options and bring out their features briefly. CO5 K3  
(or)  
20.b. Illuminate the recent developments in derivative market. CO5 K3