



# Avinashilingam Institute for Home Science and Higher Education for Women

Deemed to be University Estd. u/s 3of UGC Act 1956, Category A by MHRD [now MoE]

Re-accredited with an A++ Grade by NAAC CGPA 3.65/4, Category I by UGC

Coimbatore-641043, Tamil Nadu, India

## Continuous Internal Assessment Test I – August 2025

### III Semester

Class : II UG  
Major : B.Com /B.Com Computer Applications

Time : 2 hours  
Max. Marks : 60

### 23BCODE1D / 23BCCDE4 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

6 x 1 = 6

#### Choose the Correct Answer

- If a company issues additional securities, first it is offered to existing shareholders, it is known as CO1: K1  
a) Preferential right  
b) Right issue  
c) Private placement  
d) Underwriting
- Which type of bond is bought at a price below its face value? CO1: K1  
a) Coupon bond  
b) Floating rate bond  
c) Zero interest bond  
d) Deep discount bond
- Market for short term funds usually for one year is called CO2: K1  
a) Capital market  
b) Money market  
c) Primary market  
d) Secondary market
- The best suited fund to the business people is CO2: K1  
a) Growth fund  
b) Income fund  
c) Balanced fund  
d) Taxation mutual fund
- Equity shareholders are also known as CO3: K1  
a) Creditors  
b) Owners of the company  
c) Debenture holders  
d) Partners
- Preferred stockholders usually do not have CO3: K1  
a) Fixed dividend rights  
b) Priority over common shareholders in dividends  
c) Voting rights  
d) Preference in liquidation

#### Part B

3 x 6 = 18

#### Answer ALL questions

Each answer should not exceed 400 words or two pages

- (a) Explain the important features of a developed capital market. CO1 : K2  
(or)
- (b) Explain the benefits of credit rating. CO1 : K2
- (a) Bring out the features of a money market and state the objectives. CO2 : K2  
(or)
- (b) What are the functions of the Discount and Finance House of India. CO2 : K2
- (a) Briefly explain the scope of mutual fund. CO2 : K2  
(or)
- (b) Write short notes on rights issue, bonus shares and sweat equity shares. CO3 : K2

#### Part C

3 x 12 = 36

#### Answer ALL questions

Each answer should not exceed 800 words or four pages

- (a) Describe the procedure for registration of stock brokers and bring out the code of conduct for stock brokers in India. CO1 : K3  
(or)
- (b) Discuss in detail the method of trading in a stock exchange. CO1 : K3
- (a) Describe the merits and demerits of treasury bill market. CO2 : K3  
(or)
- (b) Discuss the recent developments that have taken place in Indian money market. CO2 : K3
- (a) Define mutual fund. Explain the risks associated with mutual fund. CO2 : K3  
(or)
- (b) Equity capital plays a vital role in strengthening a company's financial position. – Discuss CO3 : K3

