

**Avinashilingam Institute for Home Science and Higher Education for  
Women, Coimbatore-641043  
Bachelor's Degree Examination – November 2017**

**III Semester**

**Class : II UG  
Major : B.Com (PA)**

**Time : 3Hours  
Max.Marks : 100**

**15BCOC11/15BCCC11 Financial Markets**

**Part – A**

**10x1=10**

**Choose the correct answer**

1. Risk associated with corporate bonds are-----
  - a. Financial risk
  - b. Liquidity risk
  - c. Maturity risk
  - d. Call risk
  
2. Every financial market has the following characteristic -----
  - a. It allows loans to be made
  - b. It channels funds from lender to borrowers
  - c. It allows common stock to be traded
  - d. Both a and b
  
3. The people whose current expenditure is less than their current incomes are called as -----
  - a. Savers
  - b. Lenders
  - c. Borrowers
  - d. Investors
  
4. The investor education and protection fund was set up by -----
  - a. NSE
  - b. Central government
  - c. BSE
  - d. SEBI
  
5. Which one of the instruments falls under unorganized market?
  - a. Treasury bills
  - b. Commercial bills
  - c. Money lenders
  - d. Certificate of deposit
  
6. The major players in the Indian market is -----
  - a. Co-operative bank
  - b. Indigenous bank
  - c. Commercial bank
  - d. Discount Finance House of India
  
7. Right issue is offered to -----
  - a. Intermediaries
  - b. Existing share holders
  - c. Investors group
  - d. Public
  
8. Government securities are also called as -----
  - a. Capital market
  - b. Primary market
  - c. Gilt edge securities
  - d. Secondary market
  
9. The funds are holding of debt & equity securities in their portfolio are called as -----
  - a. Hybrid funds
  - b. Common funds
  - c. Combined funds
  - d. Diversified funds
  
10. Bills payable at sight to the drawee -----
  - a. Demand bill
  - b. Documentary bill
  - c. Inland bill
  - d. Foreign bill

**Part – B**

**5x6=30**

**Answer the following**

**Answer should not exceed 400 words or two pages**

11. a. Explain the role of financial system.  
(or)
11. b. Define risk and explain the types of risk.

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12. a. Show the structure of money market.  
(or)  
12. b. What is the various institutions of money market?
13. a. What are the guidelines for the issue of share capital?  
(or)  
13. b. What are the securities used in new issue market.
14. a. Point out the demerits of online trading.  
(or)  
14. b. State the functions of secondary market.
15. a. Explain the functions of SEBI.  
(or)  
15. b. Write a short note on CSDL.

**Part – C**

**5x12=60**

**Answer the following**

**Answer should not exceed 800 words or 4 pages**

16. a. Explain the functions of financial system.  
(or)  
16. b. Discuss the components of Indian financial system.
17. a. List down the various money market instruments and state their features in brief.  
(or)  
17. b. Bring out importance of money market.
18. a. Explain capital market along with functions.  
(or)  
18. b. Discuss the players in new issue market.
19. a. Bring out merits of online trading.  
(or)  
19. b. Discuss the procedure and condition for listing.
20. a. Briefly explain the functions of SEBI.  
(or)  
20. b. Explain the structure of depository system.

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