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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 (now MoE)

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

Coimbatore - 641043, Tamil Nadu, India

Bachelor's Degree Examination – November 2025 III Semester

Class : II UG

Major : B.Com / B.Com(CA)

Time : 3 Hours

Max. Marks : 100

23BCCDE1D / 23BCODE1D 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

10 x 1 = 10

Choose the Correct Answer

1. An order for the purchase of securities at a fixed price is known as
a. Limit-order
b. Open order
c. Discretionary order
d. Stop loss order
CO1K1
2. The first step in the depository process is
a. Appoint of transfer agent
b. Establishment of clearing corporation
c. Selection of depository participants
d. Immobilization of shares
CO1K1
3. The market for short term loan is known as
a. a call money market
b. Treasury bill market
c. money market
d. acceptance market
CO2K1
4. Which of these authorities supervises capital markets in India?
a. India's Securities and Exchange Board (SEBI)
b. Reserve Bank of India (RBI)
c. The Insurance Regulatory and Development Authority (IRDA)
d. Agriculture and Rural Development National Bank (NABARD)
CO2K1
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
CO3K1
6. What is the main advantage of investing in fixed income securities?
a. High returns
b. Capital appreciation
c. Regular Income
d. Tax benefits
CO3K1
7. Which was the first depository in India?
a. CDSL
b. NSDL
c. SEBI
d. RBI
CO4K1
8. The excess amount received over the face value of shares is transferred to
a. General Reserve
b. Capital Reserve
c. Share Premium Account securities
d. Profit and Loss Account
CO4K1
9. Financial Derivatives are mainly used for
a. Speculative Activities
b. Creating more Risk
c. Hedging Risk
d. Earning Income
CO5K1
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
CO5K1

Part B

5 x 6 = 30

Answer ALL questions

Each answer should not exceed 400 words or two pages

- 11.a. Explain the players of new issue market. CO1K2
(or)
11.b. Write a note on online trading. CO1K2
- 12.a. Explain the types of treasury bills. CO2K2
(or)
12.b. List out the features of certificate of deposit. CO2K2
- 13.a. Write a note on Global Depository Receipt. CO3K2
(or)
13.b. Briefly explain the equity trade ticket. CO3K2
- 14.a. Explain the features of bond. CO4K2
(or)
14.b. Why do people invest in bonds? Explain CO4K2
- 15.a. Explain the features of option contract. CO5K2
(or)
15.b. Briefly explain the types of credit default swap. CO5K2

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. CO1K3
(or)
16.b. Explain the functions of various credit rating agencies in India. CO1K3
- 17.a. Discuss various money market instruments and state their features in brief. CO2K3
(or)
17.b. Describe the various types of mutual fund. CO2K3
- 18.a. Explain the different types of equity capital. CO3K3
(or)
18.b. Point out the procedures to invest in stock based on price earnings ratio. CO3K3
- 19.a. Discuss the benefits of investing in bonds. CO4K2
(or)
19.b. Examine the components of Bond Trade Ticket. CO4K3
- 20.a. Discuss the various types of options and bring out their features briefly. CO5K3
(or)
20.b. Illuminate the recent developments in derivative market. CO5K3
