

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.

COURSE CODE: 19CM/MC/FK34

B.COM DEGREE EXAMINATION – NOVEMBER 2021

COMMERCE – SHIFT II

COURSE : MAJOR – CORE

PAPER : FINANACIAL MARKETS

TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

Answer all the questions:

(7 x 4 = 28)

1. Distinguish financial assets and physical assets with suitable examples.
2. Write a note on mortgage market with a suitable example.
3. List out the different types of financial instruments.
4. Write a short note on NBFCs.
5. What are Hybrid Securities?
6. Explain a derivatives contract with an example.
7. Discuss the differences between forwards and futures contract

SECTION – B

Answer any TWO questions:

(2 x 16 = 32)

8. a. Discuss the types of forward contract. (8 Marks)
b. Discuss the features of Swap. (8 Marks)
9. Explain the Objectives and functions of IDBI.
10. Explain the types of NBFCs with suitable examples..

SECTION – C

11. (a) Choose the correct answer with justification:

(10X1=10)

1. In financial language, the money and monetary assets are referred to as
 - i. financial assets
 - ii. Liquidity
 - iii. physical assets
 - iv. allocation of funds
2. A _____ helps in creation of financial structure that lowers the cost of transactions
 - i. financial deepening
 - ii. financial broadening .
 - iii. financial structure
 - iv. financial system
3. Which of the following is not a regulatory institution in Indian financial system?
 - i. RBI
 - ii. CIBIL
 - iii. SEBI
 - iv. IRDA
4. _____ allocates saving efficiently in an economy to ultimate users either for investment in real assets or for consumption.

- i. Financial institution ii. Financial intermediaries iii. Financial system iv. Economic system
5. Which among the following financial instruments are dealt by Primary Dealers?
i. Bonds ii. Mutual Funds iii. Government securities iv. Debentures
6. _____ is regarded as a queen of Indian financial system.
i. SEBI ii. RBI iii. Finance Ministry iv. BSE
7. Distribution of funds for industrial investment and capital formation is mainly to accelerate the process of _____.
i. economic growth ii. financial growth iii. financial services iv. financial system
8. National Housing bank is a fully owned subsidiary of _____.
i. HDFC ii. HSBC iii. RBI iv. HUDCO
9. _____ represents the ownership of the issuing company.
i. Deposits ii. Shares iii. Stocks iv. Debts
10. _____ is an apex institution to coordinate, supplement and integrate the activities of all existing specialized financial institutions.
i. IFCI ii. IDBI iii. RBI iv. SEBI
11. (b) Explain the role of financial system in economic growth. **(15 Marks)**
11. (c) Explain the Organizational Structure of Indian Financial System. **(15 Marks)**
12. (a) Choose the correct answer with justification: **(10X1=10)**
1. Underwriting of shares by a financial intermediary is a kind of _____ activity
i. Fee based ii. fund based iii. financial based iv. interest based
 2. _____ services are mainly provided to foreign investors
i. custodial ii. financial iii. Factoring iv. leasing
 3. Which of the following is a fee based service?
i. hire purchase ii. Leasing iii. Capital issue management iv. Underwriting
 4. The best suited fund to the business people is
i. income fund ii. balanced fund iii. growth fund iv. None of these
 5. Services sector in India is booming and has become one of the biggest --
.....areas.
i. money spinning areas ii. Regulations area iii. venture capital iv. none of these
 6. Funds that can sell and buy units at any point in the time are known as
i. open end fund ii. Surplus iii. Closed end fund iv. No load fund
 7. Exchange traded funds give investors joint benefits of And mutualfund.
i. A. close end & open end ii. Surplus & capital iii. Closed end & hybrid iv. No load & balanced
 8. ETF stands for.....
i. Exchange traded funds ii. Expensive Transactional Fund iii. Executive traded fund iv. No load fund
 9. Which company is the majority shareholder in CRISIL?
i. Moody's ii. Standard and Poors' iii. Dun and Bradstreet iv. None of the above
 10. The first rating AGENCY iswas started in.....
i. CRISIL, 1988 ii. ICRA, 1993 iii. DCR, 1996 iv. ONICRA, 1995

12. (b) Discuss the function of Credit rating (15 Marks)

(c) Explain the recent trends in financial services (15 Marks)
