

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2019-2020 and thereafter)**

**B.VOC DEGREE EXAMINATION – APRIL 2024
BANKING, FINANCIAL SERVICES AND INSURANCE
FOURTH SEMESTER**

**COURSE : MAJOR - CORE
PAPER : FINANCIAL SERVICES II
SUBJECT CODE: 19VB/VM/FS46
TIME : 3 HOURS**

MAX. MARKS: 100

SECTION – A

Answer ALL questions:

(10 x 2 = 20)

1. Define New issue market.
2. What is the underwriting of securities?
3. What does public issue management mean?
4. What is a capital market?
5. What is an IPO?
6. What is the primary market?
7. What is a stock exchange?
8. State any two features of the capital market.
9. What is commercial paper?
10. Who is a speculator?

SECTION – B

Answer any FIVE questions:

(5 x 4 = 20)

11. Discuss the importance of the money market.
12. Explain in brief the various new instruments introduced in the primary market.
13. Discuss in detail the methods of Floating New issues.
14. What are financial instruments? Explain its characteristics.
15. What are the essential functions of the stock exchange?
16. What are the various advantages of underwriting?
17. How is the rights issue different from the bonus issue?

SECTION – C

Answer any TWO questions:

(2 x 15 = 30)

18. Explain the steps in stock trading.
19. Explain the underwriting process and the players of new issue market.
20. Give in detail SEBI guidelines as an emerging business in the financial market.

SECTION-D**CASE STUDY ANALYSIS****(30 marks)**

21. Ramesh the CEO of a company thinks of going with the most popular method of raising funds used by the public companies. He discussed this option with his immediate subordinates. After discussion, he realises that since his company is a private company he should think of some other option. Then they think of issuing the securities through intermediaries like issuing houses or stock brokers. When his nephew comes to know about his decision, he decides to suggest his uncle another way. He advises him to involve institutional investors which will help him raise funds more quickly and reduce many mandatory and non-mandatory expenses. After a lot of discussion, the option suggested by his nephew is chosen as final.

- a) In the above case identify the various methods of floatation highlighted.
- b) Which method do you think will be applicable in the primary market?
- c) In which type of capital market trading of only existing shares is done?
- d) In which type of capital market only buying securities is possible as securities can't be sold here?
- e) Which type of capital market doesn't have a fixed geographical location?
