



K23P 0227

Reg. No. : .....

Name : .....

IV Semester M.Com. Degree (CBSS – Reg./Supple./Imp.)

Examination, April 2023  
(2019 Admission Onwards)

Elective – A – FINANCE

COM 4E03 : Financial Markets and Services

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any four** questions in this Section. **Each** question carries **1** mark for Part (a), **3** marks for Part (b) and **5** marks for Part (c).

1. a) Who are 'Arbitrageurs' ?  
b) "Factoring offers various benefits to the clients". Justify.  
c) Summarise the characteristic features of a developed money market.
2. a) Comment on STRIPS.  
b) Highlight the salient objectives of LIC.  
c) Discuss briefly the powers and functions of SEBI.
3. a) Compare ADR and GDR.  
b) Point out the challenges faced by the Indian Financial Services Sector.  
c) Evaluate the contributions of IFCI towards entrepreneurship development in India.
4. a) What is meant by 'Due Diligence Certificate' ?  
b) Write a note on (i) Blank Transfer (ii) Wash Sales (iii) Carbon Index.  
c) Clarify the merits and demerits of using Plastic Cards.

P.T.O.



K23P 0227



5. a) Who is an 'Underwriter' ?  
b) State the important criteria for 'Listing of Securities'.  
c) Distinguish Forwards from Futures.
6. a) What is 'Mezzanine Financing' ?  
b) How do Closed-Ended funds and Open-Ended funds differ from each other ?  
c) Define 'Venture Capital'. State its important features. **(4×9=36)**

**SECTION – B**

Answer the **two** questions in this Section. **Each** question carries **12** Marks.

7. a) "The Scope for Merchant Banking is wider in India". Elaborate in detail.  
OR  
b) "Credit Rating is only a current option on the financial capacity to repay debts in time". Examine the merits and demerits of Credit Rating in India.
8. a) Narrate in detail the objectives, functions, and schemes of NABARD.  
OR  
b) Portray the recent developments in the Indian Capital Market in detail.

**(2×12=24)**

KANNUR UNIVERSITY





K22P 3345

Reg. No. : .....

Name : .....

**IV Semester M.Com. Degree (C.B.S.S. – Reg./Supple./Imp.)**  
**Examination, April 2022**  
**(2018 Admission Onwards)**  
**Elective – A – Finance**  
**COM4E03 : FINANCIAL MARKETS AND SERVICES**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any four** questions in this Section. **Each** question carries **1** mark for part (a), **3** marks for part (b) and **5** marks for part (c).

1. a) Who are the main participants of a money market ?  
b) What are the features of a developed money market ?  
c) What are the different types of money market instruments ?
2. a) What is gilt edged securities ?  
b) Differentiate between money market and capital market.  
c) What are the functions of primary market ?
3. a) What are derivatives ?  
b) Distinguish between options and futures.  
c) What are the benefits of depository system ?
4. a) What are the defects of Indian money market ?  
b) Explain the major functions of IRDA.  
c) What are the types of mutual fund ?
5. a) What is credit assessment ?  
b) What are SWAPS ? What are their features ?  
c) State the role of CIBIL in modern financial system of India.

P.T.O.



6. a) What do you mean by venture capital ?
- b) What do you mean by credit card and explain its settlement procedures.
- c) Discuss briefly the investment policies of NBFC's. (4×9=36)

SECTION – B

Answer the following questions. **Each** question carries **12** marks.

7. a) Explain the main defects of Indian capital market. What are the measures taken by SEBI to protect secondary market ?

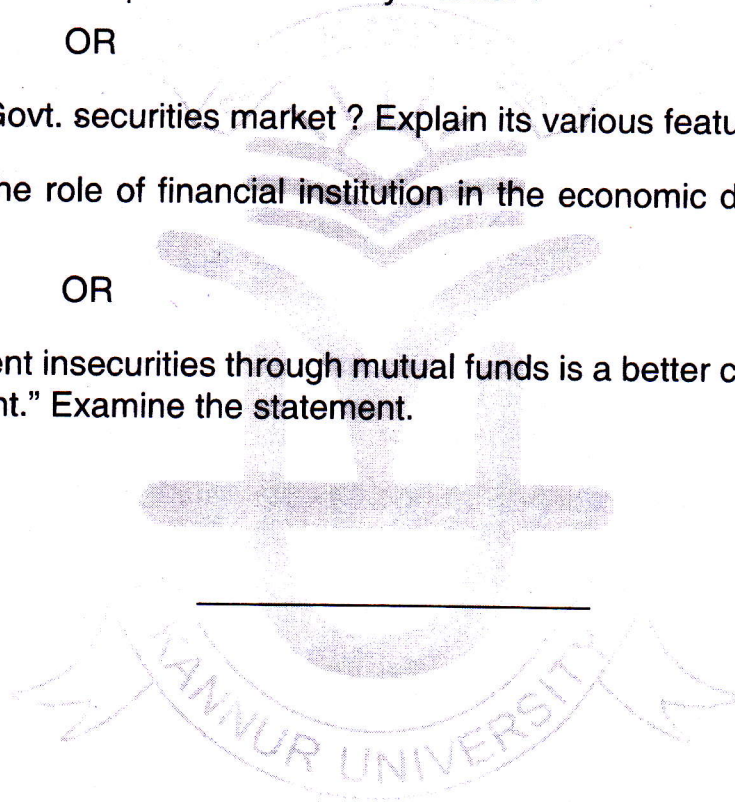
OR

- b) What is Govt. securities market ? Explain its various features.

8. a) Discuss the role of financial institution in the economic development of a country.

OR

- b) "Investment insecurities through mutual funds is a better choice than direct investment." Examine the statement. (12×2=24)







**K21P 0266**

Reg. No. : .....

Name : .....

**IV Semester M.Com. Degree (CBSS – Reg./Suppl.  
(Including Mercy Chance)/Imp.) Examination, April 2021  
(2014 Admission Onwards)**

**Elective A : Finance**

**COM4E03 : FINANCIAL MARKETS AND SERVICES**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any four** questions in this Section. **Each** question carries **1** mark for part (a), **3** marks for part (b), and **5** marks for part (c).

1. a) What do you mean by merchant banking ?  
b) State the disclosure requirements of Merchant banker to SEBI as per SEBI (Merchant bankers) regulations 1992.  
c) Briefly explain the Code of Conduct for merchant bankers as per SEBI (Merchant Bankers) Regulations 1992.
2. a) What is financial market ?  
b) Briefly discuss the various types of financial markets.  
c) Explain the various capital market instruments.
3. a) What is factoring ?  
b) Explain the different types of factoring.  
c) Explain the various types of credit rating agencies in India.
4. a) What do you mean by developmental financial institutions ?  
b) Briefly explain about different types of national level development financial institutions.  
c) Discuss the role and functions of IDBI in the development of industries in India.
5. a) Define a non-banking financial institution.  
b) Explain the concept of venture capital.  
c) Discuss about different stages of venture capital financing.

**P.T.O.**





6. a) What is a currency swap ?  
b) Explain the rationale behind using an interest rate swap.  
c) What is a derivative instrument ? Explain the different types of derivative products.
7. a) What do you mean by term money market ?  
b) Explain various features of Treasury Bills.  
c) Distinguish between money market and capital market.
8. a) What is a credit card ?  
b) Distinguish between a credit card and a debit card.  
c) Explain the different types of credit cards in India. (4×9=36)

### SECTION – B

Answer the following questions. **Each** question carries **12** marks.

9. a) Critically evaluate the role and functions of IRDA.  
OR  
b) What are mutual funds ? Discuss the various mutual fund schemes operating in India.  
OR  
c) Discuss the role and function of SIDBI in the development of small and medium scale industries in India.
10. a) The price of a share of AB steel is Rs. 1,470 on January 1 and there is a call option with maturity in January with a maturity date of January 31 and an exercise price of Rs. 1,500. The call option is selling at Rs. 84.75. Calculate the terminal value and payoffs of call option buyer for different price such as Rs. 1,340, Rs. 1,380, Rs. 1,420, Rs. 1,460, Rs. 1,500, Rs. 1,540, Rs. 1,580, Rs. 1,620 and Rs. 1,650.  
OR  
b) On 1<sup>st</sup> July, the Cipla share price is Rs. 270 and you are writing a call option with exercise price Rs. 300 and exercise date September 28. The option premium is Rs. 6.40. Calculate the option value and payoff for different terminal stock prices such as Rs. 230, Rs. 250, Rs. 270, Rs. 290, Rs. 310, Rs. 330, Rs. 350 and Rs. 370.  
OR  
c) The price of Tata Motors is Rs. 490 on January 1 and there is a put option with maturity 90 days and exercise price Rs. 520. The put option is selling at Rs. 78.40. Calculate the option value and payoffs of the put option buyer for different stock price such as Rs. 360, Rs. 380, Rs. 400, Rs. 420, Rs. 440, Rs. 460, Rs. 480, Rs. 500, Rs. 520, Rs. 560 and Rs. 580. (2×12=24)





K20P 0145

Reg. No. : .....

Name : .....

IV Semester M.Com. Degree (CBSS-Reg./Suppl./Imp.) Examination, April 2020  
(2014 Admission Onwards)

Elective – A : FINANCE : COM4E03 : FINANCIAL MARKETS AND SERVICES

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any four** questions in this Section. **Each** question carries **1** mark for Part (A), **3** marks for Part (B) and **5** marks for Part (C).

1. A) Define SIDBI.  
B) What are the latest Mutual Fund Schemes in India ?  
C) Explain in detail how financial services contribute to the growth of the Economy.
2. A) What are credit cards ?  
B) Explain briefly the working of factoring service.  
C) What are the merits of using credit cards and who are the main users ?
3. A) Define Options.  
B) What are the major limitations of Indian Money Market ?  
C) What are Swaps ? Explain the different types of Swaps.
4. A) Define Financial Derivatives.  
B) What do you mean by Derivatives trading ?  
C) Explain in detail Capital Market.

P.T.O.





Reg. No. : .....

Name : .....

5. A) What are Development Banks ?

B) What is the role of UTI in industrial finance ?

C) Give a short view about the functions of Merchant Banker.

6. A) Define Call Money.

B) Difference between Options and Swaps.

C) What is the role played by Development Banks ?

(4x9=36)

SECTION - B

Answer all the questions. Each carries 12 marks.

7. A) Define Money Market. Explain its functions.

OR

B) Explain IRDA and its major functions.

8. A) What are Mutual Funds ? Explain its types.

OR

B) What is SEBI ? Why it is called as the watch dog of securities market.

(2x12=24)





**K19P 0131**

Reg. No. : .....

Name : .....

**IV Semester M.Com. Degree (Reg./Suppl./Imp.) Examination, April 2019  
(2014 Admission Onwards)**

**Elective – A – Finance**

**COM 4E03 : FINANCIAL MARKETS AND SERVICES**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any four** questions in this Section. **Each** question carries **1** mark for Part (a), **3** marks for Part (b) and **5** marks for Part (c).

1. a) What is a money market instrument ?  
b) Explain the constituents of a money market.  
c) What are the weaknesses of Indian money market ?
2. a) What do you mean by currency swaps ?  
b) How interest rate swap is different from currency swap ?  
c) What is the procedure for pricing currency swap ?
3. a) Define a development bank.  
b) Explain the role of UTI in industrial financing.  
c) Discuss the role and functions of SIDBI in the development of small and medium scale industries in India.
4. a) What do you understand by venture capital financing companies ?  
b) Give a list of five venture capital financing companies in India.  
c) Discuss the reforms introduced in NBFC's sector as part of financial sector reforms in India.
5. a) Distinguish between a Mutual Fund Company and Asset Management Company.  
b) What are the functions of an Asset Management Company ?  
c) Discuss the SEBI guidelines relating to the functions of a Merchant Bank.

**P.T.O.**





6. a) Define factoring service.  
b) Explain different forms of factoring services.  
c) What do you mean by credit rating ? What are the functions of credit rating agencies ? (4×9=36)

### SECTION – B

Answer the following questions. **Each** question carries **12** marks :

7. a) Discuss the characteristic features of Indian money market. What are the major weaknesses ? What measures have been taken to overcome it in recent years ?

OR

7. b) Discuss the growth and development of Mutual Fund business in India in historical perspective.
8. a) The share of ABC Company are traded at Rs. 70. An investor buys a three month put option at a strike price of Rs. 80 with a premium of Rs. 2. In order to cover his risk, he buys a share with a loan at 15% interest per annum. Will he gain by adopting this strategy.

OR

8. b) X Limited stock is currently priced at Rs. 19. Two call options at strike price of Rs. 17 and Rs. 21 are trading at Rs. 2 and Re. 1. Create a bull call spread. The lot size is 200. What will be his profit, if the stock price is
- a) Rs. 23 and  
b) Rs. 18. (12×2=24)





**K18P 0382**

Reg. No. : .....

Name : .....

**Fourth Semester M.Com. Degree (Regular/Supple./Improve.)**

**Examination, March 2018**

**(2014 Admn. Onwards)**

**Elective – A : Finance**

**COM 4E03 : FINANCIAL MARKETS AND SERVICES**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any four** questions in this Section. **Each** question carries **1** mark for Part (A), **3** marks for Part (B) and **5** marks for Part (C).

1. A) What is a Treasury bill ?  
B) What are the major functions of Money Market ?  
C) Explain the recent trends in capital market.
2. A) What are Swaps ?  
B) Distinguish Forward and Future markets.  
C) What is the risk associated with trading in Derivatives market ?
3. A) Give any 2 promotional activities of development banks.  
B) What are the main functions of IDBI ?  
C) Discuss the role of Development Banks.
4. A) Define Venture Capital Finance.  
B) What are NBFCs ? Point out the main difference between NBFCs and Banking financial institutes.  
C) What do you understand by finance ? What are the major sources of finance ?



K18P 0382



5. A) Define the term "Fair Market Value".  
B) What are the features of Merchant Banking ?  
C) Why does an investor prefer to invest in Mutual Funds ?
6. A) Name the different forms of Factoring.  
B) List out some of the Merits of Corporate Credit Cards.  
C) Explain the important credit rating agencies in India.

(4×9=36)

SECTION – B

Answer the following questions. **Each** carries **12** marks.

7. A) What are the SEBI guidelines for Mutual Fund Industry in India ?

OR

- B) Explain the legal aspects governing Factoring Service in India.

8. A) Explain in detail the concept "Derivatives and its prospects in near future".

OR

- B) What is the major role played by Merchant Bankers in fund raising ?

(2×12=24)





K17P 0493

Reg. No. : .....

Name : .....

**Fourth Semester M.Com. Degree (Regular/Supple./Improve.)**

**Examination, March 2017**

**(2014 Admn. Onwards)**

**Elective – A : Finance**

**COM4E 03 : FINANCIAL MARKETS AND SERVICES**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any four** questions in this Section. **Each** question carries **1** mark for Part (A), **3** marks for Part (B) and **5** marks for Part (C).

1. A) Define money market.  
B) Distinguish between money market and capital market.  
C) Explain briefly the major money market instruments used in India at present.
2. A) Distinguish between put option and call option.  
B) What is the difference between American option and European option ?  
C) What do you understand by Option in the money, Option at the money and Option out of the money ?
3. A) Define merchant banker.  
B) List six important merchant banks in India.  
C) Explain the main functions of merchant bankers.

P.T.O.





4. A) Explain the concept of Development Bank.  
B) What are the functions of Industrial Development Bank of India ?  
C) Discuss the functions of development banks in the industrialization of India.
5. A) What do you understand by NAV of mutual fund ?  
B) Explain the concept of credit rating.  
C) Discuss the important types of factoring services offered in India.
6. A) What do you understand by NBFC's ?  
B) What are the functions of NBFC's ?  
C) Discuss the present prudential norms for NBFC's in India. (4×9=36)

#### SECTION – B

Answer the following questions. **Each** question carries **12** marks.

7. A) Discuss the role and functions of Unit Trust of India. Also evaluate its performance in mutual fund business.

OR

- B) There exists a call option with the strike price of Rs. 50 selling at a premium of Rs. 6 expiring in 2 months from now. A put option with similar features traded at a price of Rs. 5.
  - a) Determine the pay off of the call option with and without premium.
  - b) Determine the pay off for the put option with and without premium.
  - c) Plot the pay off of the call holder.
  - d) Plot the pay off of the put holder.
8. A) "Swaps are used as a toll for changing the characteristics of an asset or liability" – Elaborate.

OR

- B) Discuss the role and functions of IRDA Insurance Business. (2×12=24)





K16P 0219

Reg. No. : .....

Name : .....

**IV Semester M.Com. Degree (Regular/Supplementary/Improvement)**  
**Examination, March 2016**  
**(2014 Admn.)**  
**(Elective – A) Finance**

**COM4E03 : FINANCIAL MARKETS AND SERVICES**

Time : 3 Hours

Max. Marks : 60

**SECTION – A**

Answer **any four** :

1. a) Define merchant banking.  
b) Write a short note on SEBI.  
c) Distinguish between merchant bank and commercial bank.
2. a) What do you mean by gilt edged market ?  
b) What are all the financial regulatory bodies ?  
c) State the functions of capital market.
3. a) What do you mean by swaps ?  
b) What are the different type of swaps ?  
c) Explain the features of derivative.
4. a) What do you mean by development Bank ?  
b) State the services rendered by development banks.  
c) What are the objective of IDBI ?
5. a) State the reason for enacting IRDA Act.  
b) What are the objectives of IRDA ?  
c) Write a brief note of the Insurance Industry in India.

P.T.O.



K16P 0219



6. a) Define factoring.
- b) State the mechanism of factoring.
- c) Explain any five forms of factoring.

(4×9=36 Marks)

SECTION – B

7. Discuss various scheme of Mutual Fund in India.

OR

Explain the reasons for the poor performance of the new issue markets in India.

8. Explain the various money market instruments available in India.

OR

Give an overview of capital market in India.

(12×2=24 Marks)





M 26999

Reg. No. : .....

Name : .....

**IV Semester M.A./M.Sc./M.Com. Degree (Reg./Sup./Imp.)**  
**Examination, March 2015**  
**COMMERCE**  
**Paper – 14 : Financial Markets and Services**

Time: 3 Hours

Max. Marks : 80

**SECTION – A**

Answer **any five** questions. **All** questions carry **equal** marks. **(5×8=40)**

1. Discuss the status of Indian money market in the post-liberalization period.
2. What are the model of later stage financing of venture capital funds ?
3. Briefly discuss the various rating agencies functioning in the Indian capital market.
4. Enumerate the call option with an illustration.
5. Explain different types of factoring.
6. Enumerate the credit card charges.
7. What are the objectives and functions of SEBI ?
8. Discuss the parties involved in the commercial papers.

**SECTION – B**

Answer **any two** questions. **All** questions carry **equal** marks. **(20×2=40)**

9. What is option premium ? Discuss the factors affecting the option premium.
  10. Trace the origin of National stock exchange of India and explain the popular indices of NSE.
  11. Enumerate the special offers and merits of credit cards.
  12. Define a certificate of deposit. What are its features ?
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