PG – 256

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III Semester M.Com. Examination, May 2024
(CBCS Scheme) (2021 – 22 Onwards)
COMMERCE
Paper – 3.3 (FB) : Financial Markets and Services

Time : 3 Hours   Max. Marks : 70

SECTION – A

1. Answer **any seven** out of ten. **Each** question carries **two** marks.   **(7×2=14)**

   a) Define financial services.

   b) Give the meaning of open outcry system.

   c) List out the factors considered for Credit Rating.

   d) What do you mean by Red-herring prospectus ?

   e) Define VaR (Value at Risk) based margin.

   f) Brief out the concept of SWOC analysis of Venture Capital ?

   g) Define Credit Rating and list any two key features.

   h) What is Net Asset Value (NAV) in the context of Mutual Funds ?

   i) List out the parties involved in the new issue market.

   j) Mention the differences between fund based and fee based financial services.

SECTION – B

Answer **any four** questions out of six. **Each** question carries **five** marks.   **(4×5=20)**

2. Explain the benefits and limitations of book-building in the context of a public issue.

3. Explain the procedure of listing of securities in Stock Exchange.

4. Explain the concept of settlement in the secondary market, focusing on fixed settlement system and rolling settlement.

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5. Explain the role of credit rating in India's financial landscape, including its impact on investors.

6. How would you assess the performance of the mutual fund industry in India, considering factors such as market trends and investors behaviour ?

7. What is price bond ? How it works, explain with example.

SECTION – C

Answer **any two** questions out of four. **Each** question carries **twelve** marks. **(2×12=24)**

8. What are the major challenges of financial services sector and what are the strategies being employed to overcome them ?

9. Analyze the growth of venture capital in India, including factors contributing to its expansion and challenges.

10. What are the roles and responsibilities of SEBI in safeguarding the interests of investors ?

11. Describe the role of Artificial Intelligence (AI) in enhancing and transforming financial services.

SECTION – D

Compulsory question. **(1×12=12)**

12. Ramesh the CEO of a company think 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 realizes that since his company is 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 this he decides to suggest his uncle another way. He advices 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.

Based on the above, answer the following.

a) In the above case, identify the various methods of floatation highlighted.

b) What methods do you think will be applicable in 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 of securities is possible as securities can't be sold here ?

e) Which type of capital market doesn't have fixed geographical location ?

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