



BRAINWARE UNIVERSITY

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Brainware University
398, Ramkrishnapur Road, Barasat
Kolkata, West Bengal-700125

Term End Examination 2024-2025

Programme – B.Com.(AFB)-Hons-2022

Course Name – Financial Markets, Institutions and Financial Services

Course Code - BCMD503B

(Semester V)

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

(i) Identify feature not related with financial services

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|---------------|-------------------|
| a) Intangible | b) Indivisibility |
| c) Dynamic | d) Constant |

(ii) Name the parties involved in forfaiting agreement-

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|----------------------|---------------------|
| a) Sellers/Exporters | b) Buyers/importers |
| c) Forfeiter | d) All of these. |

(iii) Name the market not related with capital market

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|----------------------|---------------------|
| a) Primary market | b) Secondary market |
| c) Derivative market | d) Money market |

(iv) Match Forwards, futures options and swaps with correct option stated below:

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|-------------------------|--------------------|
| a) Gild Edge securities | b) Mutual Fund |
| c) Derivatives | d) Corporate Bonds |

(v) Identify the service included in Fund based facility

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|-------------------|---------------------|
| a) Underwriting | b) Credit Rating |
| c) Securitization | d) Loan syndication |

(vi) Describe Dematerialization

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|-------------------------------------------------------------------|--------------------------------------------------------------------------------|
| a) Procedure of converting physical shares into electronic shares | b) Course of selling electronic share |
| c) Method of converting electronic share into paper share | d) Route of transferring electronic share from one account to another account. |

(vii) Select the correct option describing 'fungible'

- a) Similar securities of a company are transposable
b) They are liberally transferable
c) Alike securities of diverse companies are compatible
d) Different securities of same companies are compatible
- (viii) Examine the consequence of investors request for DEMAT security without having a DEMAT account
a) NSDL will open an account on behalf of investor and transfer allotted shares to that investor
b) Issuer/R&T agent/DP will open an account on behalf of the investor and transfer allotted shares in this account for investor
c) Investor will get shares in the physical form and will get on share certificates for the ownership in the company
d) All of these.
- (ix) Analyse the consequence of dematerialized holdings of investors with DP when a DP goes bankrupt
a) The assets of investors may be used for paying creditors of DP.
b) The appointed court receiver has the discretion to dispose-off the assets of investor in the manner he deem fit
c) NSDL has the discretion to dispose-off the assets of the investors in the manner it deems fit.
d) The investor can opt for rematerialization or open his account with another DP and transfer his holdings.
- (x) Describe the procedure of dematerialization of Physical securities registered in the name of more than three joint holders.
a) Sending the same for registration in the name of three or less joint holders and then dematerialize them. They cannot be directly dematerialized in the name of three joint holders
b) Writing to NSDL and NSDL will decide on a case to case basis.
c) Opening an account in the name of first three joint holders for the purpose of dematerializing these securities.
d) Opening an account in the name of all the joint holders which can be used for the purpose of dematerializing these securities and delivering the same on sale
- (xi) Judge the truthfulness of following statement. According to SEBI's 6 April, 1998 directive, DEMAT shares will be treated as good delivery in the physical segments of stock exchange connected to NSDL.
a) Yes, for all category of investors
b) No
c) Yes, for all category of investors in NSE and BSE
d) Yes, for only institutional investors
- (xii) Judge the alternative that is not offered to mutual fund investors
a) greater than average return
b) diversified portfolio
c) lower transaction cost
d) professional investment management
- (xiii) Arrange four classes of mutual funds from largest to smallest
a) equity fund, bond funds, hybrid funds, money market funds
b) equity funds, money market funds, bond funds, hybrid funds
c) money market funds, equity funds, hybrid funds, bond funds
d) bond funds, money market funds, equity funds, hybrid funds
- (xiv) Select the instrument where The largest share of assets held by money market fund.
a) treasury bills
b) certificate of deposits
c) commercial paper
d) repurchase agreement
- (xv) Select the benefit not observed in issue of shares through private placement.

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>a) It is a time consuming process in comparison with public issue.</p> <p>c) It is more effective method of new entrepreneurs to raise funds through stock market instruments</p> | <p>b) It is less expensive method in comparison to public issue.</p> <p>d) The issuer company can manage flexibility in the size of issue through private placement</p> |
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Group-B
(Short Answer Type Questions)

3 x 5=15

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| 2. State the primary role of financial intermediaries in the financial system. | (3) |
| 3. Discuss an overview of the Indian money market. | (3) |
| 4. Explain the role of the central bank in the money market | (3) |
| 5. Show the method used by a company in determining financial benefit of leasing or purchasing of a new asset. | (3) |
| 6. Compare the benefits of securitization with traditional financing methods | (3) |
| OR | |
| Write on some common issues or challenges associated with securitization | (3) |

Group-C
(Long Answer Type Questions)

5 x 6=30

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| 7. Explain bill discounting | (5) |
| 8. Describe the concept of lease financing | (5) |
| 9. Explain hire purchase. | (5) |
| 10. Appraise Insider Trading and comment. | (5) |
| 11. Analyse the Financial System of a country. | (5) |
| 12. Analyse the significance of financial system | (5) |
| OR | |
| Explain the role of financial system in the economic development of a country. | (5) |
