



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.

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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)