



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.

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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)