



Reg. No.: .....

Name: .....

## University of Kerala

First Semester FYUGP Degree Examination, December 2025

Discipline Specific Core Course

### COMMERCE

#### UK1DSCCOM104 - Indian Financial System

Academic Level: 100-199

2024 Admission onwards

Time: 2 Hours(120 Mins)

Max. Marks: 56

Part A.6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each,  
Answer all questions

Qn No.	Question	CL	CO
1	The primary market is also known as  Options : A)After market B)New issue market C)Gilt-edged market D)Money market	RE	3
2	The market where existing or previously issued securities are traded among investors is called the:  Options : A)Primary market B)Money market C)Secondary market D)Commodity market	RE	4
3	The purpose of underwriting in public issue is  Options : A)To increase the price money B)To reduce the tax liability C)To guarantee the sale of a minimum number of securities D)To provide loans to the company	UN	2
4	In the primary market, the process of determining the price of securities based on investor demand is called:  Options : A)Fixed price issue B)Book building C)Underwriting D)Dematerialization	UN	2
5	RBI 's monetary policy aims to  Options : A)a. Control inflation B)b. Promote economic growth C)c. Maintain financial stability D)d. All the above.	UN	1

Qn No.	Question	CL	CO
6	Financial market contribute to economic development mainly by  Options : A)Increasing government consumption B)Reducing the needs for savings C)Facilitating efficient allocation of fund from savers to investors D)Promoting monopolies.	UN	1

**Part B.10 Marks.Time:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions**

Qn No.	Question	CL	CO
7	Outline the components of the Indian financial system	UN	1
8	Interpret the term 'mutual fund'	UN	2
9	Using an example, briefly explain Rolling Settlement.	AP	2
10	Sketch the process of purchasing shares from Initial Public Offerings of a company.	AP	2
11	Demonstrate how a stop-loss order protects an investor during sudden price falls	AP	2

**Part C.16 Marks.Time:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options \* within each question**

Qn No.	Question	CL	CO
12	A)  A company plans to raise ₹800 crore through an IPO. As a merchant banker, how would you decide the price band using book-building.  OR B)  A new company wants to raise long-term funds for expansion. Explain how the functions of the primary market can be applied to help the company to mobilise these funds?	AP	3, 3
13	A)  Apply the mechanism of screen-based trading to explain how buy and sell orders are processed, placed, and settled electronically  OR B)  Use the role of a broker to explain the process of executing a trade for investor in a stock exchange	AP	2, 2

Qn No.	Question	CL	CO
14	<p>A)</p> <p>Analyse the structure of the Indian financial system</p> <p>OR</p> <p>B)</p> <p>"Listing not only improves access to capital but also increases disclosure requirements". Examine the statement</p>	AN	4, 4
15	<p>A)</p> <p>Analyse the role of SEBI in improving financial literacy and investor education among retail investors</p> <p>OR</p> <p>B)</p> <p>Analyse RBI's monetary policy during high inflation</p>	AN	1, 1

**Part D.24 Marks.Time: 60 Minutes.(Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each.Answer all 4 questions choosing among options \* within each question**

Qn No.	Question	CL	CO
16	<p>A)</p> <p>Analyze the role of Primary market in economic development.</p> <p>OR</p> <p>B)</p> <p>Analyse the evolution of the primary market in India.</p>	AN	3, 3
17	<p>A)</p> <p>Evaluate the role of listing in investor protection. Is it genuinely effective or merely procedural? comment</p> <p>OR</p> <p>B)</p> <p>Evaluate the role played by stock exchange in Indian Financial System</p>	EV	2, 2
18	<p>A)</p> <p>Evaluate the role played by Financial Services Industry in Indian Financial System.</p> <p>OR</p> <p>B)</p> <p>Evaluate the components of the Indian financial system and their inter relationship.</p>	EV	1, 1

Qn No.	Question	CL	CO
19	<p>A)</p> <p>Create a flowchart depicting the movement of funds from the investors to the companies.</p> <p>OR</p> <p>B)</p> <p>Design an investor awareness programme explaining IPO risks</p>	CR	4, 4

Model QP