

POST-GRADUATE COURSE

Term End Examination — December, 2008

M.Com.

CORPORATE FINANCIAL ENVIRONMENT

PAPER XIII

Time — 2 hours

Full marks—50
(Weightage of marks—80%)

Special credit will be given for accuracy and relevance in the answer. Marks will be deducted for incorrect spelling, untidy work and illegible handwriting. The weightage for each question has been indicated in the margin.

Answer any two questions from each Module

12½×4=50

Module – I

1. (a) Narrate briefly the Indian Financial System.
(b) Discuss in detail the recommendations of the Narasimham Committee (1991) in respect to the Indian Financial System. 4+8½
2. (a) Define money market and capital market.
(b) Give detailed account of various financial instruments those are dealt in the aforesaid markets. 5+7½
3. Describe the contributions of International Monetary Fund (IMF) in fostering economic growth of its member countries. 12½

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- 4.(a) What is efficient market hypothesis (EMH)?
(b) How does diversification help an investor in reducing his risk of investment? 4+8½

Module – II

5. (a) What is a debenture?
(b) How does bond risk affect the bond investment?
(c) What are the general strengths of bond with respect to stock? 2+5+5½
6. (a) How do you distinguish between speculation and hedging?
(b) How does volatility and time influence the pricing of an option? 5+7½
7. Write short notes on **any two** from the following : 6¼×2
(a) Net Asset Value (NAV).
(b) Credit Rating Information Services of India Ltd. (CRISIL).
(c) Primary and Secondary market.
(d) Hedging.
8. (a) Differentiate between put option and call option.
(b) What is the effect of time value of money on the pricing of the options? 5+7½