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# PRESIDENCY UNIVERSITY

## BENGALURU

### End - Term Examinations – MAY 2025

Date: 20-05-2025

Time: 09:30 am – 12:30 pm

School: SOC	Program: B.COM	
Course Code : COM3005	Course Name: DEBT MARKETS AND MUTUAL FUNDS	
Semester: VI	Max Marks: 100	Weightage:50%

CO - Levels	C01	C02	C03	C04	C05
Marks					

#### Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

#### Part A

Answer ALL the Questions. Each question carries 2 marks.

10Q x 2M=20M

1.	Define treasury bills.	2 Marks	L1	C01
2.	Define the concept of a Debt Market.	2 Marks	L1	C02
3.	Define open-ended mutual funds.	2 Marks	L1	C03
4.	Define interval mutual funds.	2 Marks	L1	C03
5.	Expand the term RCA.	2 Marks	L1	C03
6.	Define SIP.	2 Marks	L1	C03
7.	Expand DDT.	2 Marks	L1	C04
8.	What is the bid-ask price.	2 Marks	L1	C05
9.	Define arbitrage.	2 Marks	L1	C05
10.	Define NAV.	2 Marks	L1	C05

#### Part B

Answer ALL the Questions. Each question carries 7 Marks.

Total Marks 35M

11.	a.	India has two primary types of financial markets: money and capital. These platforms facilitate the exchange of financial	07 Marks	L2	C01
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		instruments. Describe the key differences between the money market and the capital market.			
<b>Or</b>					
<b>12.</b>	<b>a.</b>	Discuss the various types of bonds and their key characteristics.	<b>07 Marks</b>	<b>L2</b>	<b>CO1</b>
<b>13.</b>	<b>a.</b>	Discuss the role of the Clearing Corporation of India in government securities trading.	<b>07 Marks</b>	<b>L2</b>	<b>CO2</b>
<b>Or</b>					
<b>14.</b>	<b>a.</b>	Discuss the importance and relevance of bond ratings in the debt market.	<b>07 Marks</b>	<b>L2</b>	<b>CO2</b>
<b>15.</b>	<b>a.</b>	Discuss the structure of mutual funds in India.	<b>07 Marks</b>	<b>L2</b>	<b>CO3</b>
<b>Or</b>					
<b>16.</b>	<b>a.</b>	Examine the reasons why investors find NFOs advantageous.	<b>07 Marks</b>	<b>L2</b>	<b>CO3</b>
<b>17.</b>	<b>a.</b>	Discuss the significant objectives of the Association of Mutual Funds in India.	<b>07 Marks</b>	<b>L2</b>	<b>CO4</b>
<b>Or</b>					
<b>18.</b>	<b>a.</b>	Define STP. Explain the ways in which STP works.	<b>07 Marks</b>	<b>L2</b>	<b>CO4</b>
<b>19.</b>	<b>a.</b>	Discuss the working mechanism of ETFs.	<b>07 Marks</b>	<b>L2</b>	<b>CO5</b>
<b>Or</b>					
<b>20.</b>	<b>a.</b>	Discuss the advantages of ETFs.	<b>07 Marks</b>	<b>L2</b>	<b>CO5</b>

### Part C

**Answer any Three Questions. Each question carries 15 marks**

**3Q x 15M=45M**

<b>21.</b>	<b>a.</b>	Debt markets are critical for financing government and corporate debt and are key mechanisms for capital allocation and economic development. Discuss the concept of debt markets and evaluate the key components of debt markets.	<b>15 Marks</b>	<b>L3</b>	<b>CO1</b>
<b>22.</b>	<b>a.</b>	To determine a bond's rating, agencies conduct a thorough financial analysis of the bond's issuing body. The agencies declare a bond's overall rating based on these data points. Considering the above statement, discuss the importance and relevance of bond ratings in the debt market.	<b>15 Marks</b>	<b>L3</b>	<b>CO2</b>
<b>23.</b>	<b>a.</b>	A custodian plays a crucial role in safeguarding the fund's assets and ensuring proper administration in mutual funds. Discuss the role of the custodian in mutual funds.	<b>15 Marks</b>	<b>L3</b>	<b>CO3</b>
<b>24.</b>	<b>a.</b>	ETFS can even be designed to track specific investment strategies. Various types of ETFS are available to investors for income generation, speculation, or hedging risk in an investor's portfolio. As a fund manager, explain the essential terminologies in ETFS to your clients.	<b>15 Marks</b>	<b>L3</b>	<b>CO5</b>