

FIFTH SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2018

(CUCBCSS—UG)

Economics

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

Time : Three Hours

Maximum : 80 Marks

*Answers may be written either in English or in Malayalam.***Part A***Answer all questions.**Each question carries ½ marks.*

1. SEBI was set up in the year :

- (a) 1988. (b) 1989.
(c) 1990. (d) 1991.

2. Sale of the securities is made only once at the time of issue in the :

- (a) Stock exchange. (b) New issue market.
(c) Old issue market. (d) None of these.

3. SENSEX consists of :

- (a) 50 stocks. (b) 25 stocks.
(c) 30 stocks. (d) 100 stocks.

4. Which of the following is a financial asset :

- (a) Gold. (b) Silver.
(c) Share. (d) Land.

5. In rights issue, shares are offered to :

- (a) New share holders. (b) Existing share holders.
(c) Both (a) and (b). (d) Intermediaries.

6. ADRs stands for :

- (a) Asset Depository Receipts. (b) Adjustable Depository Receipts.
(c) Asian Depository Receipts. (d) American Depository Receipts.

Turn over

7. FTSC is the stock exchange index of :
- (a) New York. (b) Tokyo.
(c) London. (d) Paris.
8. The return of the share holder is
- (a) Dividend. (b) Rate of interest.
(c) Discount rate. (d) Bank Rate.
9. Regulator of Indian capital market is
- (a) RBI. (b) SEBI.
(c) NABARD. (d) SBI.
10. For getting the shares dematerialized, an investor has to open an account with
- (a) RBI. (b) SEBI.
(c) Depository. (d) Depository Participants.
11. Government securities are also known as :
- (a) Gilt edged securities. (b) Money market securities.
(c) Financial securities. (d) None of these.
12. Which of the following is the trust that pools the savings of investors :
- (a) Dematerialization. (b) Factoring.
(c) Merchant Banking. (d) Mutual fund.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

Answer any ten questions.

Each question carries 2 marks.

13. What is financial system ?
14. Distinguish between money market and capital market.
15. Explain stock market index.
16. Write a note on BSE.
17. What is meant by listing of securities ?
18. What is dematerialization ?
19. What are mutual funds ?
20. Explain bonds.

21. What is meant by underwriting ?
22. Write a note on Registrars to an issue.
23. Explain Euro issues
24. Write a note on DFIs.

(10 × 2 = 20 marks)

Part C (Short Essays)

Answer any six questions.

Each question carries 5 marks.

25. Explain the important functions of SEBI.
26. Explain the different methods of floating new issues.
27. What are the properties of financial assets ?
28. Explain the components of financial system.
29. What are the types of debentures ?
30. Distinguish between primary and secondary market.
31. Explain the functions of capital market.
32. Explain the components of financial markets.

(6 × 5 = 30 marks)

Part D (Essay Questions)

Answer any two questions.

Each question carries 12 marks.

33. Explain the meaning and functions of new issue market.
34. What is a stock exchange ? What are the characteristics and functions of stock exchanges ?
35. Explain the role and functions of financial system. Also explain weakness of Indian financial system.
36. Explain capital market. What are the components of Indian capital market ?

(2 × 12 = 24 marks)