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(Pages : 4)

Name.....

Reg. No.....

**FIFTH SEMESTER B.A./B.Sc. DEGREE EXAMINATION  
NOVEMBER 2020**

(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.*

**Section A**

*Answer all questions.  
Each question carries 1 mark.*

1. Listing is mandatory for :

- (a) Trading in stock markets.
- (b) Making a new public issue.
- (c) Trading in international markets.
- (d) Trading in interconnected stock exchange of India.

2. A Depository is :

- (a) An institution which holds securities in a dematerialized form.
- (b) A fixed deposit in a bank.
- (c) A transfer of physical securities.
- (d) An institution which surveillance on price manipulation.

3. Stock market index :

- (a) Shows volume of stocks in the market.
- (b) Depicts transfer of shares.
- (c) Shows trends in the stock market.
- (d) Provides weights to shares.

4. A market where new securities are bought and sold for the first time is known as :

- (a) Capital market.
- (b) Primary market.
- (c) Secondary market.
- (d) Tertiary market.

Turn over

5. Nikkei is the stock exchange index of :
- (a) New York. (b) Tokyo.  
(c) London. (d) Paris.
6. The issuing company directly issue their shares to general public is known as :
- (a) Rights issue. (b) Placement.  
(c) Offer for sale. (d) Public issue.
7. Capital market is the market for :
- (a) Short term assets. (b) Long term assets.  
(c) Medium term assets. (d) All of these.
8. What does SENSEX stands for :
- (a) Sensitive stocks. (b) Sensitive exchange.  
(c) Sensor index. (d) Sensitive index.
9. Mutual funds are regulated in India by which among the following :
- (a) RBI. (b) SEBI.  
(c) NABARD. (d) SBI.
10. NASDAQ stands for :
- (a) National Association of Securities Dealers Automated Quotation.  
(b) National Stocks Data and Automated Quotes.  
(c) North American Securities Data and Automated Quotations.  
(d) National Association of Securities Dealing and Quotation.
11. Conversion of a share certificate in physical form to electronic form is called :
- (a) Depositories. (b) Certificate of Deposits.  
(c) Dematerialisation. (d) Rematerialisation.
12. GDRs refers to :
- (a) Global Development Report. (b) Gross Development Ratio.  
(c) Global Depository Receipts. (d) Gross Depository Ratios.

**Section B (Very Short Answer Questions)**

*Answer at least six questions.*

*Each question carries 3 marks.*

*All questions can be attended.*

*Overall Ceiling 18.*

13. Write a note on NSE.
14. Define primary market.
15. Explain book building method.
16. What is financial assets ?
17. Define mutual funds.
18. What is origination ?
19. Define depository.
20. Write a note on convertible debentures.
21. Write a note on NASDAQ.
22. Explain Eurobonds.
23. Write a note on government securities market.
24. Explain listing of securities.

(6 × 3 = 18 marks)

**Section C (Short Essays)**

*Answer at least four questions.*

*Each question carries 6 marks.*

*All questions can be attended.*

*Overall Ceiling 24.*

25. Explain the components of financial market.
26. Explain the role of financial system in economic development
27. Distinguish between primary and secondary market
28. Explain the functions of capital market.
29. Classify financial assets and bring out their properties.
30. Explain the types of equity shares
31. What are the intermediaries in new issue market
32. Explain capital market. What are its components?

(4 × 6 = 24 marks)

Turn over

**Section D (Essay Questions)**

*Answer any two question.*

*Each question carries 13 marks.*

33. What is stock exchange ? What are the Functions of stock exchanges ?
34. Explain the functions of new issue market. Also explain important methods of floating new issues.
35. What is meant by financial system? Explain the components of financial system.
36. Explain the objectives and functions of SEBI.

(2 × 13 = 26 marks)

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