

D 110354

(Pages : 2)

Name.....

Reg. No.....

**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2024**

Economics

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A (Short Answer Questions)*Maximum marks in this Section is 25.**Students can attempt **all** questions.**Each question carries a maximum of 2 marks.*

1. Gilt-edged securities.
2. Merchant bank.
3. Speculation.
4. Sensex.
5. Underwriting.
6. DII and FII.
7. Blue chip stock.
8. Corporate securities.
9. Financial Economics.
10. Foreign currency convertible bond.
11. OTCEI.
12. Debenture trustee.
13. Bonus shares.
14. Limitations of Indian financial system.
15. ESOP.

Turn over

Section B (Short Essay/Paragraph Questions)

Maximum marks in this Section is 35.

*Students can attempt **all** questions.*

Each question carries a maximum of 5 marks.

16. Examine the objectives and functions of SEBI.
17. Discuss the significance of capital market in an economy.
18. Differentiate between primary market and secondary market.
19. What do you mean by listing of securities ? Explain important steps in listing procedure.
20. Prepare a note on National Stock Exchange.
21. Explain the meaning and types of debentures.
22. Define mutual funds. What are the advantages of mutual funds.
23. What is depository participant in stock market ? Distinguish between NSDL and CDSL.

Section C (Long Essay Questions)

*Answer any **two** questions.*

Each question carries a maximum of 10 marks.

24. What are stock exchanges ? Discuss the functions of stock exchanges.
25. What is meant by new issue market ? What are the intermediaries in new issues market ?
26. Explain the structure of capital market. What are the important instruments of capital market ?
27. What are financial assets ? Explain various types of financial assets.

(2 × 10 = 20 marks)

D 110354-A

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(2019 Admission onwards)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes**Total No. of Questions : 20****Maximum : 20 Marks****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B) and (C) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 5B 09—ECONOMICS OF CAPITAL MARKET

(Multiple Choice Questions for SDE Candidates)

1. Capital market is the market for _____.
(A) Long term assets. (B) Short term assets.
(C) Medium term assets.
2. _____ is an example for short term asset.
(A) Treasury bill. (B) NIFTY.
(C) SENSEX.
3. RBI was started in the year _____.
(A) 1935. (B) 1937.
(C) 1939.
4. In capital markets, major suppliers of trading instruments are :
(A) Government and corporations.
(B) Liquid corporations.
(C) Instrumental corporations.
5. Barter cannot function well :
(A) Because goods are not always divisible.
(B) Because transaction costs are minimal.
(C) Because goods are always standardized.
6. Paper currency is known as 'fiat money' :
(A) Because only a fraction of total currency is in coins.
(B) Because it is decreed legal tender.
(C) Because it cannot be used as payment for debts.
7. Mutual funds are very popular in :
(A) U.K. (B) U.S.A.
(C) Japan.

8. The leader of Indian money market is _____.
- (A) SEBI. (B) RBI.
(C) IRDA.
9. _____ is a financial asset.
- (A) Gold. (B) Share.
(C) Land.
10. Market for extremely short period is _____.
- (A) Money market. (B) Mutual fund market.
(C) Call money market.
11. The return of the share holder is _____.
- (A) Dividend. (B) Rate of interest.
(C) Discount rate.
12. SENSEX is the index of _____ Stock exchange.
- (A) Bombay. (B) London.
(C) Delhi.
13. The best suited fund to business is _____.
- (A) Income fund (B) Growth fund.
(C) Taxation fund.
14. Making profit out of differences in prices of securities in two different markets is called _____.
- (A) Dumping. (B) Swap.
(C) Arbitrage.
15. SEBI is constituted on the recommendations of _____.
- (A) Rangarajan Committee. (B) Narasimham Committee.
(C) Patel committee.

Turn over

16. Loans or interest not repaid for more than 6 months is called _____.
- (A) NPA. (B) Credit tranche.
(C) Recovery.
17. Major player of Indian money market is _____.
- (A) Commercial banks. (B) Co-operative banks.
(C) NABARD.
18. Regulator of Indian capital market is _____.
- (A) SEBI. (B) RBI.
(C) NABARD.
19. Offer for sale method is also known as _____.
- (A) Sale out deals. (B) Bought out deals.
(C) Credit deals.
20. An example for transfer payments is _____.
- (A) Pension. (B) Wage.
(C) Interest rate.