

D 11338

(Pages : 3)

Name.....

Reg. No.....

FIFTH SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2016

(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 mark.

1. Which of the following is a financial asset ?
(a) Gold. (b) Silver.
(c) Share. (d) Land.
2. An example of non-marketable asset is called :
(a) Derivative. (b) Bond.
(c) Bank deposits. (d) Repos.
3. The market regulator of Indian capital market is :
(a) Financial market. (b) RBI.
(c) SEBI. (d) None of these.
4. RBI was established in the year :
(a) 1945. (b) 1936.
(c) 1953. (d) 1935.
5. The value of a security when it is issued is called :
(a) Extrinsic value. (b) Intrinsic value.
(c) Market value. (d) Non-market value.
6. Which type of instruments deal in money market ?
(a) Short term. (b) Long term.
(c) Medium term. (d) None of these.

Turn over

7. Which of the instrument is used for short term borrowing of the government ?
(a) Commercial paper. (b) Bond.
(c) Commercial bill. (d) Treasury bill.
8. Discount and Finance House of India was set up in the year :
(a) 1987. (b) 1977.
(c) 1988. (d) 1965.
9. Primary market deals with the securities of :
(a) Old issues. (b) New issues.
(c) Equities. (d) Shares.
10. Commercial paper is a form of :
(a) Money market instrument. (b) Capital market instrument.
(c) Shares. (d) Equities.
11. Central bank of India is :
(a) ICICI. (b) RBI.
(c) NABARD. (d) SEBI.
12. GDRS refers to :
(a) Global Depository Ratios.
(b) Gross Depository Ratios.
(c) Growth and Development of Rural Banks.
(d) None of the above

(12 × ½ = 6 marks)

Part B (Very Short Answer Questions)

*Answer any ten questions.
Each question carries 2 marks.*

13. Define under writers.
14. Define REPO.
15. What is Rematerialisation ?
16. Define primary market.
17. What are Gilt edged securities ?
18. Define stock exchange.

19. What is securitisation ?
20. Define mutual funds.
21. What is merchant banking ?
22. What is meant by financial services ?
23. What are blue chip shares ?
24. What is SENSEX ?

(10 × 2 = 20 marks)

Part C (Short Essay Questions)

*Answer any six questions.
Each question carries 5 marks.*

25. Distinguish between ADR and GDR.
26. Define financial markets. What are their functions ?
27. What are the characteristics of a Capital market ?
28. Explain the development of stock exchanges in India.
29. What are the main functions of DFHI ?
30. What are the difference between merchant bank and commercial bank ?
31. What are the functions of primary market ?
32. Explain physical shares and demat shares.

(6 × 5 = 30 marks)

Part D (Essay Questions)

*Answer any two questions.
Each question carries 12 marks.*

33. Discuss the role of SEBI in the development of capital market.
34. Classify various components and functions of a financial system.
35. Explain functions of secondary market. What is the difference between primary and secondary market ?
36. Define financial services. Discuss the scope of financial services.

(2 × 12 = 24 marks)