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Name:

Reg. No.....

FIFTH SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2020

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC15U ECO5 B09 - ECONOMICS OF CAPITAL MARKET

(Economics - Core Course)

(2015 Admission onwards)

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. Shares offered to the existing shareholders are called _____ shares.
(a) Bonus (b) Right (c) Equity (d) Preference
2. The oldest stock exchange in India.
(a) Bombay (b) Kochi (c) Calcutta (d) New Delhi
3. The market dealing in government securities is called _____
(a) Primary market (b) Capital market
(c) Gilt edged market (d) Money market
4. An order for the purchase of securities at a fixed price is known as
(a) Limit order (b) Open order
(c) Discretionary order (d) None of these
5. The NIM dealing with securities of
(a) Only fresh securities (b) Existing securities
(c) Bonds only (d) Both fresh and existing securities
6. Which of the following represented the nucleus of capital market?
(a) Bond market (b) Debenture market
(c) Share market (d) None
7. Which are the features of mutual funds?
(a) Net Asset Value (NAV) (b) Trade in diversified portfolio
(c) Professionally managed trust (d) All of these
8. The statutory body entrusted to protect the interests of the investors.
(a) Stock exchanges (b) IDBI (c) IFCI (d) SEBI

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Turn Over

9. In capital market _____ funds are raised through trade on debt and equity shares.
 (a) Short term (b) Medium term (c) Long term (d) None of the above
10. Debenture holders are _____ of the company.
 (a) Owner (b) Creditors (c) Beneficiaries (d) None
11. Commercial paper is a form of:
 (a) Money market instrument (b) Capital market instrument
 (c) Shares (d) Equities
12. The market in which the investor buys shares with the anticipation of rising price is called _____.
 (a) Bear market (b) Bull market
 (c) Debenture market (d) Bond market
- (12 x ½ = 6 Marks)**

Part B (Very Short Answer Questions)
 Answer any *ten* questions. Each question carries 2 marks.

13. What is equity?
 14. What you mean by the term FIIs?
 15. Define secondary market.
 16. What is IPO?
 17. What is speculation?
 18. What is Blue-chip share?
 19. What do you mean by the term Bonus issue?
 20. What is Nifty?
 21. Define Preference shares.
 22. What is Debenture Trustees?
 23. What is gilt-edged security?
 24. What do you mean by listing?

(10 x 2 = 20 Marks)

Part C (Short Essay Questions)
 Answer any *six* questions. Each question carries 5 marks.

25. What are major features of Offer for Sale Method?
 26. Briefly explain the types and working of mutual funds in India.
 27. Give a brief note on Physical shares and Demat shares.
 28. Trace out the major differences between primary market and secondary market.

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29. Briefly explain the functions of capital market in a country like India.
 30. What are euro issues? What are the major components of euro issues?
 31. What are the major features of stock exchanges?
 32. What are the major difference between debt market and equity market?

(6 x 5 = 30 Marks)

Part D (Essay Questions)

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

33. Critically evaluate the performance and trends of stock exchanges in India.
 34. Trace out the major capital market instruments.
 35. Discuss the role of the financial system in the economic development of a country.
 36. Explain briefly the various players or intermediaries in the NIM of India.

(2 x 12 = 24 Marks)

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