

**FIFTH SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2017**

(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 bill are issued only by RBI on behalf of Govt :

- (a) Financial bill. (b) Money bill.  
(c) Commercial bill. (d) Treasury bill.

2. The market for extremely short period is called :

- (a) Short term money market. (b) Treasury bill market.  
(c) Call money market. (d) Commercial market.

3. REPO is :

- (a) Re transfer agreement. (b) Repurchase agreements.  
(c) Re exchange agreement. (d) Re sale agreement.

4. Primary market is under the control of :

- (a) RBI. (b) SEBI.  
(c) CRISIL. (d) Money market.

5. Govt. Securities are also known as :

- (a) Financial securities. (b) Money market securities.  
(c) Gilt edged securities. (d) None of these.

6. Conversion of a share certificate in physical form to electronic form is called

- (a) Depositories. (b) Dematerialization.  
(c) Rematerialisation. (d) Certificates of Deposits.

**Turn over**

7. Which of the following is the trust that pools the savings of investors :
- (a) SEBI. (b) Merchant banking.  
(c) Mutual fund. (d) Factoring.
8. Credit rating agency :
- (a) ICICI. (b) CRISIL.  
(c) IDBI. (d) IFCI.
9. Commercial paper is a form of :
- (a) Commercial instrument. (b) Capital market instrument.  
(c) Money market instrument. (d) None of these.
10. An example for gilt edged security is
- (a) Treasury bill. (b) Commercial bill.  
(c) Bank deposit. (d) Cheque.
11. GDRs refers to :
- (a) Global development report. (b) Gross development ratio.  
(c) Global depository receipts. (d) Gross depository ratios.
12. Cheque is a :
- (a) Non-negotiable instrument. (b) Negotiable instrument.  
(c) Promissory note. (d) Bill of exchange.

(12 × ½ = 6 marks)

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

*Answer any ten questions.*

*Each question carries 2 marks.*

13. What is industrial securities market ?
14. Explain promissory note.
15. Define primary market.
16. What are the objectives of listing ?
17. Explain book building method.
18. Explain right shares.
19. Explain the characteristics of capital market.

20. Explain bonds.
21. Explain indigenous money lenders.
22. Define Non banking financial intermediary.
23. Explain Euro issues.
24. Define foreign currency convertible bonds.

(10 × 2 = 20 marks)

**Part C (Short Essay Questions)**

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

25. What are the types of debentures ?
26. Distinguish between tangible and intangible assets.
27. Explain classification financial markets.
28. What are the types of financial assets ?
29. What are the type of debentures ?
30. What are the capital market instruments.
31. What are the causes of poor performance of New issue market.
32. Explain the features of a developed money market.

(6 × 5 = 30 marks)

**Part D (Essay Questions)**

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

33. Explain meaning and functions of Primary market.
34. Explain the structure and importance of capital market in an economy.
35. Explain weakness and role of financial system in economic development.
36. What are the objectives, powers and functions of SEBI ?

(2 × 12 = 24 marks)