

FIFTH SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2018**(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 marks.*

1. SEBI was set up in the year :
(a) 1988. (b) 1989.
(c) 1990. (d) 1991.
2. Sale of the securities is made only once at the time of issue in the :
(a) Stock exchange. (b) New issue market.
(c) Old issue market. (d) None of these.
3. SENSEX consists of :
(a) 50 stocks. (b) 25 stocks.
(c) 30 stocks. (d) 100 stocks.
4. Which of the following is a financial asset :
(a) Gold. (b) Silver.
(c) Share. (d) Land.
5. In rights issue, shares are offered to :
(a) New share holders. (b) Existing share holders.
(c) Both (a) and (b). (d) Intermediaries.
6. ADRs stands for :
(a) Asset Depository Receipts. (b) Adjustable Depository Receipts.
(c) Asian Depository Receipts. (d) American Depository Receipts.

Turn over

7. FTSC is the stock exchange index of :
(a) New York. (b) Tokyo.
(c) London. (d) Paris.
8. The return of the share holder is
(a) Dividend. (b) Rate of interest.
(c) Discount rate. (d) Bank Rate.
9. Regulator of Indian capital market is
(a) RBI. (b) SEBI.
(c) NABARD. (d) SBI.
10. For getting the shares dematerialized, an investor has to open an account with
(a) RBI. (b) SEBI.
(c) Depository. (d) Depository Participants.
11. Government securities are also known as :
(a) Gilt edged securities. (b) Money market securities.
(c) Financial securities. (d) None of these.
12. Which of the following is the trust that pools the savings of investors :
(a) Dematerialization. (b) Factoring.
(c) Merchant Banking. (d) Mutual fund.

(12 × ½ = 6 marks)

Part B (Very Short Answer Type Questions)

Answer any ten questions.

Each question carries 2 marks.

13. What is financial system ?
14. Distinguish between money market and capital market.
15. Explain stock market index.
16. Write a note on BSE.
17. What is meant by listing of securities ?
18. What is dematerialization ?
19. What are mutual funds ?
20. Explain bonds.

21. What is meant by underwriting ?
22. Write a note on Registrars to an issue.
23. Explain Euro issues
24. Write a note on DFIs.

(10 × 2 = 20 marks)

Part C (Short Essays)

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

25. Explain the important functions of SEBI.
26. Explain the different methods of floating new issues.
27. What are the properties of financial assets ?
28. Explain the components of financial system.
29. What are the types of debentures ?
30. Distinguish between primary and secondary market.
31. Explain the functions of capital market.
32. Explain the components of financial markets.

(6 × 5 = 30 marks)

Part D (Essay Questions)

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

33. Explain the meaning and functions of new issue market.
34. What is a stock exchange ? What are the characteristics and functions of stock exchanges ?
35. Explain the role and functions of financial system. Also explain weakness of Indian financial system.
36. Explain capital market. What are the components of Indian capital market ?

(2 × 12 = 24 marks)