CAPITAL MARKET

Q1. Which are the two main sectors in an economic system.

Q2. How allocation function is performed by a financial market.

Q3. Name the two consequences of the allocative function.

Q4. Who are competing intermediaries in financial system.

Q5. Which are the two major alternative mechanisms through which allocation of funds can be done.

Q6. Where does a financial market exists.

Q7. What is the form taken by a financial transaction.

Q8. How financial market is a common platform for buyers and sellers.

Q9. Which is more liquid:
   a) Money market or capital market and why.

Q10. Who participates in money market.

Q11. Identify money market instruments in the following situations:
   a) Repayable on demand for inter bank transactions.
   b) They have no default risk.
   c) They are issued in tight liquidity period.
   d) They are issued by large and credit-worthy company.
   e) They help in financing working capital requirement.

Q12. What is an ideal capital market like?

Q13. Who are the participants in the capital market.

Q14. Why small saving are not of any use for a money market participant.

Q15. Which type of instrument money or capital enjoys a high liquidity and why.

Q16. Why capital market instruments are more risky?

Q17. Why the possibility of earning is higher when the securities are for longer duration?

Q18. How rights issued can leads to insider training?
Q19. How an EIPO is possible.

Q20. How offer for sale differ from private placements.

Q21. Why India needs a growing and developing securities market.

Q22. What is demutualization of stock exchange.

Q23. Which are the two types of transaction carried on a stock exchange.

Q24. What does Nifty indicates.

Q25. Which are two market segments of NSE.

Q26. Give the three tier system of Indian securities market.

Q27. What actually is sensex.

Q28. Who has set NSE and with what objective.

Q29. Why OTCEI is a negotiated market place.

Q30. What was the purpose of setting up OTCEI.

Q31. How trading takes place in OTCEI.

Q32. How the development of OTCEI contributed towards corporate investment.

Q33. Justify the establishment of SEBI.

Q34. Which are the three groups which benefits with a good capital structure.

Q35. How SEBI works through its five departments.

Q36. List the objectives of the two committees of SEBI.