

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.**