

M. A. DEGREE END SEMESTER EXAMINATION - APRIL 2021**SEMESTER 4 : ECONOMICS****COURSE : 16P4ECOT19EL : CAPITAL MARKET***(For Regular - 2019 Admission and Supplementary - 2018/2017/2016 Admissions)*

Time : Three Hours

Max. Marks: 75

PART A**Answer any 8 (2 marks each)**

1. Explain the relation between risk and return in investment.
2. What is meant by Arbitrage?
3. Describe IPO.
4. What is a Bond Market ?
5. What is a Debt Instrument?
6. What is a Positive Yield curve?
7. What is meant by book building?
8. Explain the role of Securities Appellate Tribunal in a country.
9. Describe Time value of money
10. What is meant by Compounding of a sum?
11. What is a balance sheet?
12. What is Discounting?

(2 x 8 = 16)**PART B****Answer any 7 (5 marks each)**

13. Explain the basic financial ratios.
14. What are the applications of financial statement analysis?
15. Write a note on Depository system.
16. Write a note on major stock market indices of the world
17. Write a note on CDSL
18. Write a note on Discounted Cash Flows
19. Explain how rate of interest affects bond prices, stock market and real estate?
20. Write a short note on financial statement analysis?
21. What are income statements and position statements. Why is it relevant for assessing the worthiness of a company?
22. Explain the major turnover ratios used for analysing financial statements.

(5 x 7 = 35)**PART C****Answer any 2 (12 marks each)**

23. Explain the different investment avenues on the basis of their yield curves?
24. Explain the process of trading in a stock exchange.
25. Write an essay about different types of derivative instruments.
26. What is meant by the term 'Time Value of Money'? Explain different methods of finding Time Value of Money.

(12 x 2 = 24)