

Reg. No

Name

23P4038

M. A. DEGREE END SEMESTER EXAMINATION : MARCH 2023

SEMESTER 4 : ECONOMICS

COURSE : 21P4ECOT18EL : CAPITAL MARKET

(For Regular - 2021 Admission)

Duration : Three Hours

Max. Weights: 30

PART A

Answer any 8 questions

Weight: 1

1. Distinguish between call option and put option. (U, CO 2)
2. What is meant by Foreign Institutional Investment? (U, CO 1)
3. What is meant by EBITDA? (U, CO 4)
4. Explain the terms stock split and reverse stock split. (U, CO 2)
5. What is meant by REITs? (U, CO 2)
6. Who are Institutional Investors? (U, CO 1)
7. What is meant by Net Present Value? (U, CO 3)
8. What is meant by cash flow statement? (U, CO 4)
9. What is meant by bluechip shares? (U)
10. Distinguish between discounting and compounding of a sum? (U, CO 3)
(1 x 8 = 8)

PART B

Answer any 6 questions

Weights: 2

11. What is the yield curve and its significance? (U)
12. Discuss the modern investment avenues in the capital market (U, CO 1)
13. Explain the process of trading in a stock exchange. (U, CO 2)
14. Comment on the importance of financial statement analysis (An, CO 4)
15. Write a note on Discounted Cash Flow method. (U, CO 3)
16. What is meant by preference shares? Comment on the types of preference shares. (An)
17. Distinguish between systematic risk and unsystematic risk. (U, CO 1)
18. Write an essay on the major stock market indices in India and abroad. (U, CO 2)
(2 x 6 = 12)

PART C

Answer any 2 questions

Weights: 5

19. Write a note on the need for credit rating. Also explain the major functions of credit rating agencies operating in India. (U, CO 2)
20. "Rate of Interest can influence bond prices, real estate & stock market"- Comment. (U, CO 3)
21. Explain the different investment avenues on the basis of their yield curves (An, CO 1)
22. Explain the theoretical analysis of stock valuation (An, CO 4)
(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
CO 1	Understand the basics of savings and investment, capital market instruments and major investment avenues.	U	2, 6, 12, 17, 21	11
CO 2	Understand the functions of capital market and attain knowledge on investments in capital market instruments	U	1, 4, 5, 13, 18, 19	12
CO 3	Evaluate the interrelationship between interest rate investment and analyse the role of rate of interest in the valuation of securities	E	7, 10, 15, 20	9
CO 4	Gain knowledge on various value concepts, earning ratios and financial statement analysis.	An	3, 8, 14, 22	9

Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;