

**M. A. DEGREE END SEMESTER EXAMINATION- MARCH 2025****SEMESTER 4 : ECONOMICS****COURSE : 21P4ECOT18EL : CAPITAL MARKET***(For Regular - 2023 Admission and Supplementary 2022/2021 Admissions)*

Duration : Three Hours

Max. Weights: 30

**PART A****Answer any 8 questions****Weight: 1**

1. What is called a Risk spectrum? (U, CO 1)
  2. Distinguish between discounting and compounding of a sum? U,CO3)
  3. Write a note on ADR. (U, CO 2)
  4. Define rate of interest. (U, CO 3)
  5. Distinguish between market risk and country risk (U, CO 1)
  6. Define P/E ratio. (U, CO 4)
  7. What is a Debt Instrument? ( )
  8. Distinguish between call option and put option. (U, CO 2)
  9. Define private placement (U, CO 2)
  10. Explain the meaning of financial statement. (U, CO 4)
- (1 x 8 = 8)**

**PART B****Answer any 6 questions****Weights: 2**

11. Distinguish between bonds and debentures (U, CO 2)
  12. Write a short note on the functions of SEBI. (U, CO 2)
  13. Define yield curve. Comment on the use of yield curve in bond markets (An, CO 3)
  14. Define 'investment'. What are the characteristic of investment. (U, CO 1)
  15. Investment climate determines the investment alternatives in a country - Discuss. (E, CO 1)
  16. Explain how rate of interest affects bond prices, stock market and real estate? (U, CO 3)
  17. What are the features of equity shares? (U, CO 2)
  18. Write a short note on ratio analysis in equity valuation (U, CO 4)
- (2 x 6 = 12)**

**PART C****Answer any 2 questions****Weights: 5**

19. "A bird in hand is worth more than two in the bush"- Discuss the statement in the light of time value of money. Also explain different ways of finding time value of money. (An, CO 3)
20. How are risk and return are related? Explain different types of risks. (U, CO 1)
21. Explain the role and importance of SEBI in Indian capital market. (U, CO 2)
22. Examine the significance of equity valuation in investments. Explain the three-step valuation process to the valuation of securities. (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	1, 5, 14, 15, 20	11
CO 2	Understand the functions of capital market and attain knowledge on investments in capital market instruments	U	3, 8, 9, 11, 12, 17, 21	14
CO 3	Evaluate the interrelationship between interest rate investment and analyse the role of rate of interest in the valuation of securities	E	2, 4, 13, 16, 19	11
CO 4	Gain knowledge on various value concepts, earning ratios and financial statement analysis.	An	6, 10, 18, 22	9

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