

ECONOMICS OF CAPITAL MARKET
CORE COURSE OF B.A ECONOMICS
V SEMESTER - CUCBCSS 2014 Admn onwards

Answer all questions

1. Capital market is the market for.....
(a. **long term assets**, b. short term assets, c. medium term assets)
2. is an example for short term asset
(a. **treasury bill**, b. NIFTY, c. SENSEX)
3. RBI was started in the year.....
(a. **1935**, b. 1937, c. 1939)
4. In primary markets, property of shares which made it easy to sell newly issued security is considered as
a. **increased liquidity** b. decreased liquidity c. money flow
5. In capital markets, major suppliers of trading instruments are
a. government and corporations b. **liquid corporations**, c. instrumental corporations
6. Barter cannot function well
(a) **because goods are not always divisible.** (b) because transaction costs are minimal. (c) because goods are always standardized.
7. Money is a

(a) **flow variable**. (b) includes checkable deposits with banks. (c) includes gold and silver

8. Paper currency is known as 'fiat money'

(a) **because only a fraction of total currency is in coins**. (b) because it is decreed legal tender. (c) because it cannot be used as payment for debts.

9. mutual funds are very popular in

a. U.K b. **USA**. C. Japan

10. Present Chairman of SEBI is

a. **U.K Sinha** b. Raghuram Rajan c. K. Raghavan

11. The leader of Indian money market is

a. SEBI b. **RBI** c. IRDA

12. FTSE is the stock exchange index of.....

a. NEW York b. Tokyo c. **London**

13. RBI Governor is

a. Raghuram Rajan b. **Urgit Patel** c. Subha Rao

14. Is a financial asset

a. Gold b. **share** c. land

15. Head quarters of NSE is

(a. Delhi, b. Kolkata, c. **Mumbai**)

16. Market for extremely short period is

a. Money market, b. Mutual fund market c. **call money market**

17. The return of the share holder is

a. **dividend**, b. rate of interest c. discount rate

18. Market dealing with government securities is

a. **gilt-edged**, b. share market, c. primary market

19. Apex institution for agricultural credit is

a. **NABARD** b. RBI. C. SEBI

20. SENSEX is the index of Stock exchange

a. **Bombay** b. London. C. Delhi

21. The best suited fund to business is

a. Income fund, b. **growth fund**, c. taxation fund

22. Making profit out of differences in prices of securities in two different markets is called

a. Dumping b. Swap c. **Arbitrage**

23. SEBI is constituted on the recommendations of

a. Rangarajan Committee. B. Narasimham Committee, c. **Patel committee**

24. loans or interest not repaid for more than 6 months is called.....

a. **NPA** b. Credit tranche, c. recovery

25. Major player of Indian money market is

a. **Commercial banks**, b. cooperative banks, c. NABARD

26. Chief economic advisor to the Prime Minister of India is

a. **Arabind Subramaniam** b. Narasimham, c. Rangarajan

27. Regulator of Indian capital market is

a. **SEBI**, b. RBI, c. NABARD

28. An example for transfer payments is

a. **Pension**, b. wage, c. interest rate

29. Offer for sale method is also known as

a. sale out deals b. **Bought out deals**, c. credit deals

30. Chief Economic Advisor of the Government of Kerala is

a. Mrudul Eapen, b. **Gita Gopinath**, c. S. Irudaya Rajan

Prepared by:

SRI. SHIBINU S ASSISTANT PROFESSOR AND HEAD

DEPARTMENT OF ECONOMICS

PSMO COLLEGE, TIRURANGADI