

WORKSHEET-1
FINANCIAL MARKET AND MONEY MARKET

Q.NO	QUESTIONS	MARKS
1	What is meant by Financial Markets? Ans:	1
2	Give the meaning of Money Market. Ans:.....	1
3	It is a market for short – term funds which deals in monetary assets whose period of maturity is upto one year. Name it. Ans:	1
4	It is basically an instrument of short-term borrowings by the Government of India maturing in less than one year. Name this money market instrument. Ans:	1
5	It is a short –term unsecured promissory note, negotiable and transferable by endorsement and delivery within a fixed maturity period. Name it. Ans:	1
6	It is used for inter-bank transactions. It is short-term finance repayable on demand with a maturity period of one day to fifteen days. Which instruments does it indicate? Ans:	1
7	Briefly explain the concept of" Commercial Bill"? Ans:	3
8	"Financial Market plays an important role in the allocation of scarce resources in an economy by performing various functions". Explain any three functions of financial market. Ans:	3

WORKSHEET-2
CAPITAL MARKETS AND ITS COMPONENTS

Q.NO	QUESTIONS	MARKS															
1	What is meant by Capital Markets? Ans:	1															
2	List any two characteristics of secondary market. Ans:	1															
3	Distinguish between 'Primary Market' and 'Secondary Market' on the basis of: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">BASIS</th> <th style="text-align: center;">PRIMARY MARKET</th> <th style="text-align: center;">SECONDARY MARKET</th> </tr> </thead> <tbody> <tr> <td>1. Sale of Securities</td> <td></td> <td></td> </tr> <tr> <td>2. Capital Formation</td> <td></td> <td></td> </tr> <tr> <td>3. Determination of price</td> <td></td> <td></td> </tr> <tr> <td>4. Location</td> <td></td> <td></td> </tr> </tbody> </table>	BASIS	PRIMARY MARKET	SECONDARY MARKET	1. Sale of Securities			2. Capital Formation			3. Determination of price			4. Location			4
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4	Explain following methods of floatation of new issue in the 'Primary Market'. Ans: 1. Offer for Sale-..... 2. Private Placement-	4															

	<p>3. Right issue-</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>4. e-IPOs-.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	
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5	<p>Distinguish between 'Capital Market' and 'Money Market' on the basis of:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">BASIS</th> <th style="width: 35%;">CAPITAL MARKET</th> <th style="width: 35%;">MONEY MARKET</th> </tr> </thead> <tbody> <tr> <td>1.Participants</td> <td></td> <td></td> </tr> <tr> <td>2.Instruments traded</td> <td></td> <td></td> </tr> <tr> <td>4. Expected return</td> <td></td> <td></td> </tr> <tr> <td>5.Safety</td> <td></td> <td></td> </tr> </tbody> </table>	BASIS	CAPITAL MARKET	MONEY MARKET	1.Participants			2.Instruments traded			4. Expected return			5.Safety			5
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WORKSHEET 3

SECURITIES AND EXCHANGE BOARD OF INDIA AND STOCK EXCHANGE OF INDIA

Q.N O	QUESTIONS	MARKS
1	It is an institution which provides a platform for buying and selling of existing securities. Mention it. Ans:	1
2	Stock Exchange gives investors the chance to disinvest and reinvest. Which function of stock exchange is highlighted here? Ans:	1
3	'All securities can be traded in the stock exchange.' Do you agree? Ans:	1
4	Give the full form of BOLT. Ans:	1
5	State one developmental function of SEBI. Ans:	1
6	State one protective function of SEBI. Ans:	1
7	Explain any regulatory functions of SEBI. Ans :i..... ii..... iii.....	3

8	<p>Few years back, people were not in the habit of saving .Its main reason was lack of good opportunity for investment. Lack of saving and investment habit of the people had direct affect on the economic development of the country. As a result, pace of economic development of the country remained quite slow. When the country was grappling with the problem, a kind of market emerged that helped in establishing industries and at the same time made good opportunities for investment available. With the setting up of such a market, people acquired habit of affecting saving . These savings were invested .Gradually economic development proceeded ahead. It is a kind of market that can be called as barometer of a country’s economic development. It has its own rules and bye-laws which help in its operations and also in safeguarding the interests of the investors. Moreover, it has to comply with the guidance issued by SEBI. The market operates under the supervision of a management committee.</p> <p>i) Identify the market mentioned in the above paragraph.</p> <p>.....</p> <p>ii) Explain two characteristics of the market as identified vide point(i) above</p> <p>.....</p> <p>.....</p> <p>iii) Identify any two values that this market provides to the society.</p> <p>.....</p> <p>.....</p>	1+2+1
9	<p>‘In today’s commercial world, the Stock Exchange performs many vital functions which leads the investors towards positive environment.’ Explain how by giving any five reasons.</p> <p>Ans:..i.....</p> <p>.....</p> <p>.....</p> <p>..ii.....</p> <p>.....</p> <p>.....</p> <p>..iii.....</p> <p>.....</p> <p>.....</p> <p>..iv.....</p> <p>.....</p> <p>.....</p> <p>..v.....</p>	5

WORKSHEET 4
TRADING AND SETTLEMENT PROCEDURE

Q.NO	QUESTIONS	MARKS
1	What does dematerialization of securities refer to? Ans:	1
2	Explain the concept of depository. Ans:	1
3	Name and explain two types of depositories in India? 1..... 2.....	3
4	Explain the advantages of electronic trading system or screen- based trading? Ans:	4
5	Explain the trading procedure of securities in the stock exchange? Ans:.....	5

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