

Vidya Vikas Mandal's  
Shree Damodar College of Commerce and Economics Margao-Goa  
S.Y.BCOM Semester End Examination, Semester III-October 2016  
**INTRODUCTION TO CAPITAL MARKET- III**

**Duration: 2 hours**

**Max. Marks: 80**

**Instructions:**

- All questions are compulsory, however internal choice is available.
- Figures to the right indicate maximum marks to the questions and sub-questions.
- Start each question on a fresh page.

**Q.1. Answer any four of the following: (4x4=16)**

1. Explain briefly any two participants of securities market.
2. Give four points of difference between equity and debt securities.
3. State any four functions of securities market.
4. Explain any two disadvantages of equity share market.
5. Write a brief note on hybrid instruments.
6. Briefly explain any two functions of primary market.

**Q.2. Answer any four of the following: (4x4=16)**

1. Explain any two types of investors in the primary markets.
2. Write a brief note on role of brokers.
3. Explain briefly the process of trade settlement in secondary markets.
4. State and explain any two functions of secondary markets.
5. Briefly explain the risk management process for derivatives.
6. Write a short note on hedging.

**Q.3.A. Explain any six precautions of investing in equity market.**

**OR**

**(12)**

**Q.3.B. Explain the type of risks involved in stock market operations.**

**Q.4.A. Explain different types of public issues involved in equity market.**

**OR**

**(12)**

**Q.4.B. Explain the role and functions of Merchant banking in India.**

**Q.5.A. Explain the structure of secondary market with the help of a diagram.**

**OR**

**(12)**

**Q.5.B. Explain any six participants of secondary market in India.**

**Q.6.A. Explain the structure of the derivative market with the help of a diagram.**

**OR**

**(12)**

**Q.6.B. Explain any six types of derivative products widely used in India.**