

QB365 Question Bank Software Study Materials

Capital Market 45 Important 1 Marks Questions With Answers (Book Back and Creative)

12th Standard

Commerce

Total Marks : 45

Multiple Choice Question

45 x 1 = 45

- 1) Capital market do not provide_____.
(a) Short term Funds (b) Debenture Funds (c) Equity Funds (d) Long term Funds
- 2) When the NSEI was established _____.
(a) 1990 **(b) 1992** (c) 1998 (d) 1997
- 3) Primary market is a Market where securities are traded in the _____.
(a) First Time (b) Second Time (c) Three Time (d) Several Times
- 4) Participants in the capital market includes _____.
(a) Individuals (b) Corporate (c) Financial Institutions **(d) All of the above**
- 5) The _____ was set up by a premier financial institution to allow the trading of securities across the electronic counters throughout the country.
(a) OTCEI (b) Factoring (c) Mutual Funds (d) Venture Funds Institutions
- 6) How many times a security can be sold in a secondary market?
(a) Only One Time (b) Two Time (c) Three Times **(d) Multiple Times**
- 7) Rights Issue refers to the shares issued to
(a) Employees (b) Public (c) Existing directors **(d) Existing shareholders**
- 8) Which one of the following is not the main functions of a capital market?
(a) To mobilise the savings from various sectors of population (b) To enables companies to raise permanent capital
(c) To provide employment opportunities for various sectors of the population
(d) To encourage the people to invest in productive channels
- 9) Which of the following is the advantage of investment of foreign capital in India?
(a) It brings larger industrial profits (b) It reduces our imports (c) It expands our exports
(d) It brings in new technical know-how
- 10) Which market facilitates capital formations?
(a) Primary market (b) Secondary market (c) Debt market (d) Money market
- 11) The existence of a capital market enables companies to raise
(a) capital formation **(b) permanent capital** (c) industrial growth (d) all of these
- 12) Which markets make possible to generate foreign capital?
(a) Primary market (b) Secondary market (c) Money market **(d) Capital market**
- 13) NSEI was established in
(a) 1990 **(b) 1992** (c) 1996 (d) 1998

- 14) The NSDL was set up in the year
 (a) 1990 (b) 1992 **(c) 1996** (d) 1998
- 15) In capital markets, major suppliers of trading instruments are
(a) government and corporations (b) liquid corporations (c) instrumental corporations
 (d) manufacturing corporations
- 16) Which of the following instruments are traded in capital market?
(a) Government agency securities (b) Negotiable bank CDs (c) Repurchase agreements (d) Commercial papers
- 17) Which of the following does financial services industry consist of ?
 I) Tele communication
 II) Insurance
 III) Fund Management
 IV) Trusts
 (a) I and II (b) III and IV (c) I, II and III **(d) II, III and IV**

18)

LIST I	LIST II
i) Capital market	1) New Issue Market
ii) Securities	2) Resale market
iii) Primary market	3) Debentures
iv) Secondary market	4) Long term funds

- (a)

(i)	(ii)	(iii)	(iv)
1	2	3	4
- (b)**

(i)	(ii)	(iii)	(iv)
4	3	1	2
- (c)

(i)	(ii)	(iii)	(iv)
2	3	1	4
- (d)

(i)	(ii)	(iii)	(iv)
3	4	2	1

- 19) _____ forms an important core of a country's financial system.
(a) Capital market (b) Financial market (c) Money market (d) Debt market
- 20) Capital market offers an ideal source of _____ finance.
 (a) internal **(b) external** (c) both (d) none of these
- 21) Capital market is called _____ market.
 (a) financial (b) money **(c) securities** (d) debt
- 22) Capital market provides a transaction platform for _____ term financial assets.
(a) long (b) short (c) medium (d) none of these
- 23) Capital market is divided into _____ categories.
(a) two (b) three (c) four (d) five
- 24) _____ market is a market for new issues or new financial claims.
 (a) Secondary **(b) Primary** (c) Money (d) Debt
- 25) _____ is a way of selling securities privately to a small group of investors.
 (a) Public issue (b) Rights issue **(c) Private Placement** (d) None of these
- 26) _____ commodities are raw materials typically mined.
(a) Hard (b) Soft (c) Both (d) None of these
- 27) _____ are typically grown agricultural primary products such as wheat and sugar.
 (a) Hard commodities **(b) Soft commodities** (c) Capital markets (d) Financial markets

- 28) A best efforts offering is sometimes used in connection with a _____ of new, long-term securities.
(a) Public issue (b) Private placement (c) Privileged subscription (d) all of the above
- 29) Financial intermediaries _____
 (a) do not invest in new long-term securities **(b) include insurance companies and pension funds**
 (c) include the national and regional stock exchanges (d) are usually underwriting syndicates
- 30) Capital market provide funds for projects in _____ areas.
(a) backward (b) rural (c) urban (d) none of these
- 31) Stock exchange _____ speculation in shares.
 (a) does not allow (b) discourage **(c) encourage** (d) prohibits
- 32) Primary market is concerned with _____
 (a) Increase in shares (b) Decrease in shares **(c) Issue of New shares** (d) None of these
- 33) Secondary market deals with _____ traded in primary market
 (a) Purchase of securities (b) Sales of securities **(c) Resale of securities** (d) None of these
- 34) There are _____ regional stock exchanges in India.
 (a) 15 (b) 18 (c) 20 **(d) 21**
- 35) Inclusion of securities in the official list of stock exchange is called _____
(a) Listing (b) Unlisting (c) Ordered (d) None of these
- 36) _____ is a market where buyers and sellers engage in trade of financial securities like bonds and stocks,
(a) Capital Market (b) Financial Market (c) Secondary Market (d) None of those
- 37) _____ provide a central convenient place where buyers and sellers can easily purchase and sell securities.
(a) Stock exchange (b) Public issue (c) Foreign capital (d) Mutual funds
- 38) _____ facilitates the trading in financial instruments such as future contracts and options used to help control financial risks
 (a) Commodities (b) Mutual funds **(c) Derivatives** (d) Foreign exchange
- 39) Capital Market is also called as _____
 (a) Primary market **(b) Securities market** (c) Secondary market (d) Primary market
- 40) Match the following.
- | | |
|----------------------|-----------------------------|
| (1) Hard commodities | (i) wheat, cotton and sugar |
| (2) Derivates Market | (ii) 1992 |
| (3) NSEI | (iii) Gold, oil, Rubber |
| (4) Soft commodities | (iv) Bond, Commodities |
- (a)**

A	B	C	D
iii	iv	iii	iii

 (b)

A	B	C	D
i	ii	iii	iv

 (c)

A	B	C	D
iii	ii	iv	

 (d)

A	B	C	D
i	ii	iv	iii
- 41) Pick out the odd one.
 (a) IFCI (b) ICICI (c) IDBI **(d) NSEI**
- 42) Pick out the odd one.
 (a) Gold (b) Oil (c) Rubber **(d) Sugar**
- 43) Pick out the odd one

(a) Stocks (b) Bond (c) Commodities **(d) Capital**

44) Which is not correctly Matched?

(a) Mutual funds - Savings of Investors (b) Foreign capital - Capital funds from overseas Market

(c) Securities Market - Debentures, shares **(d) Derivatives Market - Trading in Present Market**

45) "What is a man if he is not a thief who openly charges as much as he can for the goods he sells ?".

(a) Rahul Gandhi (b) Mahatma Gandhi (c) Jawaharlal Nehru **(d) Ralph Nader**