S.A.S. GOVERNMENT DEGREE COLLEGE

NARAYANAPURAM, WEST GODAVARI DISTRICT-534411

(AFFILIATED TO ADIKAVI NANNAYA UNIVERSITY, RAJAMAHENDRAVARAM)

Phone: 08818 252189, E-mail: narayanapuram.jkc@gmail.com

ESTD 1972

DEPARTMENT OF COMMERCE

CERTIFICATE COURSE ON "SECURITY MARKETS"

COURSE INSTRUCTOR

Ch.Ramadevi

ACADEMIC YEAR 2019-20

CERTIFICATE COURSE AT A GLANCE

1. TITLE OF THE COURSE: **SECURITY MARKETS**
2. LEVEL OF THE COURSE: UG
3. NAME OF THE INSTRUCTOR : Ch.Ramadevi
4. DURATION OF THE COURSE: 30 HOURS
5. DATE OF COMMENCEMENT : 01-07-2019
6. DATE OF CLOSURE : 10-08-2019
7. TIME OF CONDUCT OF THE CLASSES: 4:00 PM – 5:00 PM
8. NUMBER OF STUDENTS ENROLLED FOR THE COURSE: 13
9. NUMBER OF STUDENTS COMPLETED THE COURSE: 13
10. ASSESMENT CRITERION : EVALUATION TEST

CONTENTS

1. Minutes of the Departmental meeting
2. Permission letter to the principal
3. Proceedings of the principal
4. Notice for the Certificate course
5. Objectives of the course
6. Course outcomes
7. Syllabus
8. List of the students enrolled for the course
9. Attendance particulars
10. Question paper
11. Valued script
12. Photographs of conducting the classes
13. Model certificate
14. Report on the Certificate course

Minutes of Departmental Meeting on Certificate Course

The faculty members of Department of Commerce met in the Principal's chamber under the chairperson ship of Dr.T.K.Visweswara Rao at 3 PM on Dt :25-06-2019 discussed and resolved as detailed here under.

After the through discussion on the agenda of conducting certificate course as per the departmental action plan, it was resolved to

1. Conduct a certificate course titled Security Markets with a duration of 30 hours during the working days
2. Frame the syllabus and regulations for the successful completion of certificate course
3. Conduct the examination after the completion of course and issue certificate to the qualified students
4. Set 40% of marks as eligibility for the completion of the course
5. Serve notice to the students well in advance for the enrollment into this course
6. Commence the course on the date fixed obtaining due permission from the chair.

Signatures of the faculty
Department of Commerce
SAS GOVERNMENT DEGREE COLLEGE
NARAYANAPURAM-534 406

Principal
PRINCIPAL
SAS GOVT. DEGREE COLLEGE
NARAYANAPURAM
West Godavari District.
Pin: 534 406, Andhra Pradesh

PERMISSION LETTER FOR CERTIFICATE COURSE

SAS GOVT. DEGREE COLLEGE
NARAYANAPURAM,
Dt.26.06.2019

From
The In-charge,
Department of Commerce,
SAS GDC,
Narayanapuram.

To
The Principal,
SAS GDC,
Narayanapuram.

Sir,

Sub: Department of Commerce ,SAS Govt. Degree College, Narayanapuram-Conduct of Certificate course in **Security Markets** (30 hours) -Accordance of permission requested-Reg.

Ref: Minutes of the departmental meeting dated 25.06.2019

****

Adverting to the subject, I wish to submit to your kind self that the Department of Commerce is planning to conduct a Certificate course in "**Security Markets**" with 30 hours duration for the students of our college as well as the general public . A resolution was passed to this effect in the Departmental meeting dated 25.06.2019 . Hence I request you to kindly accord permission to conduct the same from 01-07-2019 onwards.

Thanking you sir.

Yours faithfully
Y. Radha Krishna
Lec in Commerce
In-charge
Department of Commerce
SAS GOVERNMENT DEGREE COLLEGE
NARAYANAPURAM-534 406

Enclosures

1. A Xerox copy of the minutes of Departmental meeting dt. 25.06.2019
2. A copy of syllabus
3. Blue print of the Execution of the course

PROCEEDINGS OF THE PRINCIPAL, SAS GOVT. DEGREE COLLEGE,NARAYANAPURAM.

DATE : 27.06.2019

To

The In-charge,

Department of Commerce,

SAS GDC

Narayanapuram .

Sir/Madam,

Sub: SAS Govt. Degree college, Narayanapuram- Conduct of certificate course in Mutual Funds– Permission accorded- Reg.

Adverting to the subject, I here by draw the kind attention of the in-charge of department of Commerce of this college ,that a decision was taken in the staff council meeting 26-06-2019 dated after much discussions and deliberation to approve and accord permission for the conduct of a certificate course "**Security Markets**" with 30 hours duration for the general public as well as the students of our college from dt. 01-07-2019 .

You are further instructed to make all the necessary preparations and arrangements for the commencement of the course on dt .01-07-2019

PRINCIPAL

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SAS GOVT. DEGREE COLLEGE
NARAYANAPURAM
West Godavari District.
Pin: 534 406, Andhra Pradesh

SAS GOVT. DEGREE COLLEGE ★ NARAYANAPURAM

NOTICE

NARAYANAPURAM

Dt.28-06-2019

All the students of SAS Govt. Degree college, Narayanapuram are hereby informed that the Department of Commerce is intending to conduct a certificate course in Security Markets " from 01-07-2019 onwards . The required permission from the honorable Principal of the college has been obtained. Hence the students who are interested in enrolling themselves for the course may please contact the in-charge of the department for further details on or before dt.29-06-2019

Initials of the Principal

In-charge of the dept.

Incharge
Department of Commerce
SAS GOVERNMENT DEGREE COLLEGE
NARAYANAPURAM-534 406

OBJECTIVE:

- To get a basic understanding of the products, players and functioning of financial markets, particularly the capital market.
- To understand the terms and jargons used in the financial newspapers and periodicals.
- To understand the various products, participants and the functions of the securities market.
- To know the regulatory framework for the Indian securities market.
- To understand the concept of mutual funds.
- To know about the roles of different players viz., custodians, asset management companies, sponsor etc. in the mutual fund industry.
- To learn about the tax and regulatory issues related to mutual funds.
- To understand the fundamentals of Net Asset Value (NAV) computation and various investment plans.
- To learn about the trading of derivatives on the stock exchanges.
- To understand the capital market trading operations.
- To learn the other important regulator y aspects.
- To learn about the concept of derivatives and the basics of the derivative market
- To understand the use of derivative products in speculating, hedging and arbitraging
- To learn the trading, clearing, settlement and risk management in equity derivatives

Course Outcome:

After completing the course, the student will be able to:

1. Understand the working of the investment industry.

2. Prepare and analyze financial statements of all forms of business entities.

3. Understand different types of securities and their differences.

4. Fundamentally analyze different types of securities on the levels of economy, industry and company.

5. Perform Technical Analysis, draw charts, draw support and resistance levels and also understand Price Patterns.

6. Manage portfolio of investments depending on the need of the investor.

7. Use derivatives for arbitrage, hedging and speculation purposes.

8. Calculate, assess and manage ri

SYLLABUS MODULE

UNDERSTANDING SECURITIES MARKETS

1. Securities Markets
2. Securities
3. Securities Markets: Structure and Participants
4. Role of Securities Markets
5. Technological advancements in the securities market

II: SECURITIES: TYPES, FEATURES AND CONCEPTS OF ASSET ALLOCATION AND INVESTING

1. Securities available in the securities market
2. Choice between Equity and Debt Financing for Issuers
3. Characteristics and role of equity capital
4. Characteristics and role of Debt securities
5. Choosing between Debt and Equity Investment Avenues
6. Hybrid Instruments
7. Characteristics and role of Commodities as an asset class
8. Derivatives as investments
9. Asset Allocation and Diversification
10. Understanding the factors underlying the investment process
11. Various aspects of investing in Equity
12. Equity Investing Process
13. Various aspects of investing in Debt securities
14. Debt Investing Process

III: PRIMARY MARKETS

1. Primary Market: Definition and Functions
2. Primary Vs Secondary Markets
3. Intermediaries in Primary Market
4. Types of Issues
5. Types of Issuers
6. Types of Investors
7. Regulatory Framework for Primary Markets
8. Types of Public Issue of Equity Shares
9. Pricing a Public Issue of Shares
10. Public Issue Process of equities
11. Prospectus
12. Applying to a Public Issue
13. Listing of Shares
14. Rights Issue of Shares
15. Regulatory requirements for a Public Issue of Debt Securities
16. Public issue process for debt securities
17. Private Placements in Equity and Debt

IV: SECONDARY MARKETS

1. Role and Function of the Secondary Market
2. Types of secondary markets for different securities
3. Market Structure and Participants
4. Brokers and Client Acquisition
5. Trade Execution
6. Clearing and Settlement of Trades
7. Trading and settlement process from investor's point of view
8. Market Information and Regulation
9. Risk Management Systems
10. Rights, Obligations and Grievance Redressal
11. Secondary market trading and reporting for debt securities

18. Listing of Shares
19. Rights Issue of Shares
20. Regulatory requirements for a Public Issue of Debt Securities
21. Public issue process for debt securities
22. Private Placements in Equity and Debt

SAS GOVT. DEGREE COLLEGE ★ NARAYANAPURAM, W.G.Dt. ★

List of the Student Enrrolment

S.NO	ROLL NO	CLASS	NAMAE OF THE STUDENT
1	17-355-810-0001	III B.Com	AKULA NAGA RAJU
2	17-355-810-0002	III B.Com	CHATLA GOPI
3	17-355-810-0004	III B.Com	GANJI HEMAMADHURI
4	17-355-810-0005	III B.Com	KALAPALA JOSHI KUMAR
5	17-355-810-0006	III B.Com	KARUTURI HANIMAN
6	17-355-810-0007	III B.Com	KOMMINI RAJESWARI
7	17-355-810-0008	III B.Com	KOMMU ANIL KUMAR
8	17-355-810-0009	III B.Com	KOPPARTHI RAVICHANDRA
9	17-355-810-0010	III B.Com	KORRA PRASAD BABU
10	17-355-810-0011	III B.Com	KUNCHE VENKATA KRISHNAKUMARI
11	17-355-810-0012	III B.Com	MERUGU NARESH
12	17-355-810-0014	III B.Com	PONNADA SAI SIVAM
13	17-355-810-0015	III B.Com	THUPAKULA RAJA RAO

Dept of HOD

Incharge
Department of Commerce
SAS GOVERNMENT DEGREE COLLEGE
NARAYANAPURAM-534 406

PRINCIPAL

SAS GOVT. DEGREE COLLEGE, NARAYANAPURAM

(Affiliated to Adikavi Nannaya University, Rajamahendravaram, A.P.)

Department of commerce, 2019-2020

Certificate course on Tally - Student Attendance Register

S. NO	Roll No	Name of the Student	Attendance Days														
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	17-355-810-0001	AKULA NAGA RAJU	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
2	17-355-810-0002	CHATLA GOPI	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
3	17-355-810-0004	GANJI HEMAMADHURI	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
4	17-355-810-0005	KALAPALA JOSHI KUMAR	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
5	17-355-810-0006	KARUTURI HANIMAN	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
6	17-355-810-0007	KOMMINI RAJESWARI	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
7	17-355-810-0008	KOMMU ANIL KUMAR	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
8	17-355-810-0009	KOPPARTHI RAVICHANDRA	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
9	17-355-810-0010	KORRA PRASAD BABU	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
10	17-355-810-0011	KUNCHE VENKATA KRISHNAKUMARI	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
11	17-355-810-0012	MERUGU NARESH	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
12	17-355-810-0014	PONNADA SAI SIVAM	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
13	17-355-810-0015	THUPAKULA RAJA RAO	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p

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12	17-355-810-0014	PONNADA SAI SIVAM	p	p	p	p	p	p	p	p	p	p	p	p	p	p	p
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Department of commerce, 2019-2020

Question Paper

SUB :Security Markets **Time: 11/2** **Marks : 50**

s.no	Question	Option 1	Option 2	Option 3	Option 4
1	Indian Securities market is one among top_______securities markets of the world.	Four	Eight	Three	Six
2	The Bombay Stock Exchange was established in ________	1875	1873	1874	1872
3	Index Futures trading commenced at BSE in the year	2000	1997	2001	2004
4	Under Section 31 of The Companies Act, 1956, any company could be of the form except	Limited Liability Firm	Public Companies	Private Companies	Trust
5	The Bombay Stock Exchange Ltd. (BSE) in 1986 came out with a stock index	BANKEX	BSE-100	BSE-200	SENSEX
6	Who cannot be a member?	Everyone can become a member	A Partnership firm	A Corporate entity	An Individual
7	Insider trading if reported can be investigated by	SEBI	FMC	MCA	RBI
8	How membership of BSE can be obtained: (i) By new membership (ii) By nomination	Only (i)	Only (ii)	Both of (i) and (ii)	Either (i) or (ii)
9	An option that has intrinsic value is	over-the-money	in-the-money	at-the-money	out-of-the-money
10	The base year of SENSEX is __________and the base value is _______	1988-89 and 100	1978-79 and 100	1978-79 and 1000	1981-82 and 100

11	Index calculation frequency for BSE Sensex is	Thirty Minutes lagged	One hour lagged	Real Time	Two hour lagge d
12	A person who combines derivatives with a business risk is a ________	hedger	speculator	spreader	stock broker
13	The genesis year for BSE On-Line Trading System was	1993	1995	1996	1994
14	The Bombay Stock Exchange was established as a	Limited Liability Firm	A partnership firm	A company	Voluntary non-profit organizati on
15	As of December 31, 2009 the Bombay Stock Exchange was among the top______of global exchanges in terms of market capitalization of its listed companies	Six	Eight	Ten	Nine
16	Currently the tick size in the scrip listed on the exchange is	25 paisa	10 paisa	15 paisa	5 paisa
17	The 'Z' group was introduced by BSE in	Jan-99	Jun-00	Jan-00	Jul-99
18	Present and prospective shareholders are mainly concerned with a firm's	risk and return	profitability and return	leverage	profitabilit y
19	The Securities and Exchange Board of India was established in ________	1990	1988	1989	1992
20	A security giving you the right to sell is a	swaption	call option	put option	short futures contrac t
21	Which is not a part of Securities market	Primary market, Real Estate markets & Secondary Markets	Primary market & Secondary market	Commodity Markets & Real Estate markets	Real Estate markets & Primary

					market
22	Majority of the powers granted under SCRA are exercisable by_______	DEA	SEBI	MCA	RBI
23	The Companies Act, 1956 does not deal with	Commodity markets	Issues of Securities	Allotment and transfer of securities	Money markets
24	Arbitration at BSE is a	Neither a judicial nor a quasi judicial mechanism	Quasi Judicial mechanism	regulatory mechanism	Judicial mechanism
25	All trading members are required to keep a Base Minimum Capital with the stock exchange is _______	Rs. 5 Lakh	Rs. 15 Lakh	Rs. 20 Lakh	Rs. 10 Lakh
26	Ratios provide a ________ measure of a company's performance and condition	absolute	definitive	gross	relative
27	The actual number of scrips listed in BSE PSU Index is	All PSU stocks in BSE-100 index	All PSU stocks listed on BSE	All PSU stocks in BSE-500 index	All PSU stocks in BSE-200 index

28	Which of the following statements is most correct?	The SML relates required returns to firms' sectoral risk	Risk refers to the chance that some unfavorable event will occur, and a probability distribution is completely described by a listing of the likelihood of unfavorable events	Portfolio diversification reduces the variability of returns on an individual stock	The SML relates required returns to firms' market risk
29	The_______measures the activity, or liquidity, of a firm's inventory	average collection period	day sales turnover	quick ratio	inventory turnover

30	In India, BSE pioneered the concept of free-float by launching__________in July 2001	BSE SENSEX	BSE TECk	BSE PSU	BSE FMCG
31	SENSEX became the in India to be based on the globally accepted Free-float Methodology	Third index	First index	Second index	Fourth index
32	The market value of which assets can be found by determining future cash flows and then discounting them back to the present	Intangible assets	Real Assets	Financial Assets	Mutual Funds
33	Time value of money is based on the belief that a rupee that will be received at some future date is worth______a rupee today	equal to	double	less	five times
34	Who are the participants in the derivatives market?	Arbitrageurs	Hedgers	Speculators	All given options are correct
35	The_______is useful in evaluating credit and collection policies	average collection period	average sales	current ratio	average payment period

36	Variations in accounting methods among firms ___________financial comparisons between firms	can invalidate	can degrade	can validate	can improve
37	The first market to trade financial futures was the	BSE	CME	CBOE	CBOT
38	The processing fee for conversion of membership is Rs.	1.50 Lakhs	1.00 Lakhs	2.00 Lakhs	Zero
39	Amalgamation / merger (A/M) of two corporate members of the exchange or A&M of a corporate member with non-member company or demerger is governed by	rule 257 B	rule 35 B	rule 19 B	rule 20 B

40	BSE contributed what amount towards Broker Contingency Fund?	Rs.9 Crores	Rs 10 Crores	Rs 8 Crores	Rs.9.51 Crores
41	The Value at Risk (VaR) Margin is a margin intended to cover ____________that can be encountered on 99% of the days (99% Value at Risk)	The model loss	The smallest loss	The average loss	The largest loss
42	An investor wants to keep his portfolio return similar to the return from Sensex. He can choose	A stock with beta of more than 2.0	A stock with beta of 1.0	A stock with beta less than 1.0	A stock with beta more than 1.0
43	_______is the chance of loss or the variability of returns associated with a given asset	profitability	Return	Value	Risk
44	The Auction Pay-in and Pay-out takes place on	T+3 Day	T+1 Day	T+2 Day	T+4 Day
45	Examples of events that increase risk aversion include	All given options are correct	political uncertainty	a stock market crash	assassination of a key political leader

46	The Brokers' Capital fund fee for conversion of membership is Rs.____	2.0 Lakhs	Nil	1.00 Lakhs	2.5 Lakhs
47	BSE-500 index represents nearly______of the total market capitalization on BSE	93%	85%	87%	90%
48	The______value interest factor is the future value of Rs 1 per period compounded at i percent for n periods	Future	Present	Nominal	Continuously compounded
49	The Give-up entry is also known as	5A-7A entry	2A-3A entry	8A-9A entry	6A-7A entry
50	If the equity multiplier is 2.0, the debt ratio must be	0.25	0.5	1	0.35

Answers:

1	Eight
2	1875
3	2000
4	Trust
5	SENSEX
6	A Partnership firm
7	SEBI
8	Either (i) or (ii)
9	in-the-money
10	1978-79 and 100
11	Real Time
12	Hedger
13	1994
14	Voluntary non-profit organization
15	Ten
16	5 paisa
17	Jul-99
18	risk and return
19	1988
20	Put option
21	Commodity Markets & Real Estate markets
22	DEA
23	Money markets
24	Quasi Judicial mechanism
25	Rs. 10 Lakh
26	Relative

27	All PSU stocks in BSE-500 index
28	The SML relates required returns to firms' market risk
29	inventory turnover
30	BSE TECk
31	Third index
32	Financial Assets
33	Less
34	All given options are correct
35	average collection period
36	can invalidate
37	CME
38	Zero
39	rule 257 B
40	Rs.9.51 Crores
41	The largest loss
42	A stock with beta of 1.0
43	Risk
44	T+3 Day
45	All given options are correct
46	2.5 Lakhs
47	93%
48	Future
49	6A-7A entry
50	0.5

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ESTD 1972

SUBJECT : SECURITY MARKETS 50X1=50

45/50

1. Which of the following is NOT a type of security? (a)
   a) Stocks
   b) Bonds
   c) Commodities
   d) Mutual Funds
2. What is the primary function of a stock exchange? (b)
   a) To facilitate borrowing and lending of money
   b) To regulate the banking sector
   c) To facilitate the buying and selling of securities
   d) To provide insurance services
3. Which of the following is a characteristic of a bull market? (d)
   a) Falling prices and pessimism
   b) Rising prices and optimism
   c) Stable prices and uncertainty
   d) Declining prices and uncertainty
4. What does the term "IPO" stand for in the context of the stock market? (c)
   a) Initial Public Offering
   b) International Price Offering
   c) Internal Portfolio Operations
   d) Investment Promotion Organization
5. What is the purpose of a stop-loss order? (a)
   a) To limit potential losses by automatically selling a security if its price falls to a certain level
   b) To buy a security at the lowest possible price
   c) To lock in profits by selling a security at a predetermined price
   d) To prevent unauthorized trading on a brokerage account
6. Which of the following is NOT a factor affecting the price of a security? (a)
   a) Supply and demand
   b) Interest rates
   c) Political stability
   d) Weather conditions
7. What is the role of a market maker in the securities market? (b)
   a) To regulate the market and ensure fair trading practices
   b) To provide liquidity by buying and selling securities
   c) To advise investors on which securities to buy
   d) To audit companies listed on the stock exchange

8. What does the term "dividend yield" represent? (c)
   a) The percentage return an investor receives from dividends relative to the current market price of the stock
   b) The total value of dividends paid out by a company in a given period
   c) The rate at which a company grows its dividends over time
   d) The amount of dividends reinvested in the company's stock
9. Which of the following is a measure of a company's financial health? (d)
   a) P/E ratio
   b) GDP growth rate
   c) Unemployment rate
   d) Consumer Price Index (CPI)
10. What is the purpose of portfolio diversification? (a)
   a) To concentrate investments in a single asset class
   b) To minimize risk by spreading investments across different assets
   c) To maximize returns by investing in high-risk assets
   d) To avoid taxation on investment gains

11.Which of the following is not a primary function of security markets? (a)
a) Allocation of capital
b) Liquidity provision
c) Risk management
d) Government regulation
12.What is the term used to describe a market where securities are bought and sold after their initial issuance? (d)
a) Primary market
b) Secondary market
c) Tertiary market
d) Quaternary market
13.Which of the following best describes a bull market? (b)
a) A market where prices are expected to decline
b) A market characterized by pessimism and low trading volumes
c) A market where prices are expected to rise
d) A market with stagnant prices
14.What is the term used to describe the difference between the price at which a dealer is willing to buy and sell a security? (b)
a) Bid-ask spread
b) Market order
c) Limit order
d) Stop order
15.Which of the following is not a type of security traded in the market? (c)

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   b) Bonds
   c) Commodities
   d) Mutual Funds
2. What is the primary function of a stock exchange? (b)
   a) To facilitate borrowing and lending of money
   b) To regulate the banking sector
   c) To facilitate the buying and selling of securities
   d) To provide insurance services
3. Which of the following is a characteristic of a bull market? (d)
   a) Falling prices and pessimism
   b) Rising prices and optimism
   c) Stable prices and uncertainty
   d) Declining prices and uncertainty
4. What does the term "IPO" stand for in the context of the stock market? (c)
   a) Initial Public Offering
   b) International Price Offering
   c) Internal Portfolio Operations
   d) Investment Promotion Organization
5. What is the purpose of a stop-loss order? (a)
   a) To limit potential losses by automatically selling a security if its price falls to a certain level
   b) To buy a security at the lowest possible price
   c) To lock in profits by selling a security at a predetermined price
   d) To prevent unauthorized trading on a brokerage account
6. Which of the following is NOT a factor affecting the price of a security? (a)
   a) Supply and demand
   b) Interest rates
   c) Political stability
   d) Weather conditions
7. What is the role of a market maker in the securities market? (b)
   a) To regulate the market and ensure fair trading practices
   b) To provide liquidity by buying and selling securities
   c) To advise investors on which securities to buy
   d) To audit companies listed on the stock exchange

8. What does the term "dividend yield" represent? (c)
a) The percentage return an investor receives from dividends relative to the current market price of the stock
b) The total value of dividends paid out by a company in a given period
c) The rate at which a company grows its dividends over time
d) The amount of dividends reinvested in the company's stock

9. Which of the following is a measure of a company's financial health? (d)
a) P/E ratio
b) GDP growth rate
c) Unemployment rate
d) Consumer Price Index (CPI)

10. What is the purpose of portfolio diversification? (a)
a) To concentrate investments in a single asset class
b) To minimize risk by spreading investments across different assets
c) To maximize returns by investing in high-risk assets
d) To avoid taxation on investment gains

11.Which of the following is not a primary function of security markets? (a)
a) Allocation of capital
b) Liquidity provision
c) Risk management
d) Government regulation

12.What is the term used to describe a market where securities are bought and sold after their initial issuance? (d)
a) Primary market
b) Secondary market
c) Tertiary market
d) Quaternary market

13.Which of the following best describes a bull market? (b)
a) A market where prices are expected to decline
b) A market characterized by pessimism and low trading volumes
c) A market where prices are expected to rise
d) A market with stagnant prices

14.What is the term used to describe the difference between the price at which a dealer is willing to buy and sell a security? (b)
a) Bid-ask spread
b) Market order
c) Limit order
d) Stop order

15.Which of the following is not a type of security traded in the market? (c)

a) Stocks
b) Bonds
c) Commodities
d) Capital

16.What is the primary regulatory body overseeing securities markets in the United States? (c)
a) Federal Reserve System (Fed)
b) Securities and Exchange Commission (SEC)
c) Commodity Futures Trading Commission (CFTC)
d) Financial Industry Regulatory Authority (FINRA)

17.Which of the following is an example of a derivative security? (a)
a) Corporate bond
b) Treasury bill
c) Futures contract
d) Common stock

18.What does the term "market capitalization" refer to? (a)
a) Total value of all goods and services produced in an economy
b) Total value of all outstanding shares of a company
c) Total value of all bonds issued by a government
d) Total value of all assets owned by a company

19.Which of the following statements about efficient markets is true? (b)
a) Prices in efficient markets always reflect all available information.
b) In efficient markets, arbitrage opportunities are prevalent.
c) Efficient markets are characterized by high transaction costs.
d) Efficient markets are only found in theoretical models.

20.What is the term used to describe the process of buying or selling securities to profit from short-term price movements? (C)
a) Long-term investing
b) Speculation
c) Asset allocation
d) Diversification

21.Which of the following is a characteristic of a futures contract? (a)
a) It represents ownership in a company
b) It is an agreement to buy or sell a specified asset at a predetermined price on a future date
c) It pays fixed interest payments to investors
d) It provides voting rights to shareholders

22.What is the primary objective of technical analysis in security trading? (b)
a) To analyze financial statements of companies

b) To study historical market data and price trends to forecast future price movements
c) To determine the intrinsic value of a security
d) To assess the overall economic conditions

23.Which of the following types of orders allows investors to specify a price at which they are willing to buy or sell a security? (d)
a) Market order
b) Stop order
c) Limit order
d) Good 'til canceled order

24.What term is used to describe the risk that an entire market or financial system may decline in value due to broad economic factors? (c)
a) Systematic risk
b) Unsystematic risk
c) Credit risk
d) Default risk

25.Which of the following statements about mutual funds is true? (a)
a) Mutual funds trade on stock exchanges throughout the day.
b) Mutual funds are not subject to regulation by any governing body.
c) Mutual funds pool money from multiple investors to invest in a diversified portfolio of securities.
d) Mutual funds guarantee a fixed rate of return to investors.

26.What is the term used to describe a market where securities are bought and sold directly between two parties without the involvement of an intermediary? (b)
a) Over-the-counter (OTC) market
b) Primary market
c) Secondary market
d) Auction market

27.Which of the following best describes a limit order? (b)
a) An order to buy or sell a security at the current market price
b) An order to buy or sell a security at a specified price or better
c) An order to buy or sell a security immediately at the best available price
d) An order to buy or sell a security only if certain conditions are met

28.What is the term used to describe the total dollar value of all securities traded in a market during a specific period? (c)
a) Market capitalization
b) Market volume
c) Market liquidity
d) Market volatility

29.Which of the following is NOT a characteristic of common stock? (a)
a) Ownership in the company

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b) Fixed dividend payments
c) Voting rights
d) Residual claim on assets

30.What does the term "bid" represent in the context of securities trading? (b)
a) The price at which a security is offered for sale
b) The price at which a security is bought by a trader
c) The difference between the highest price a buyer is willing to pay and the lowest price a seller is willing to accept
d) The amount of money an investor is willing to pay for a security

31.Which of the following is NOT considered a major stock exchange in the United States? (b)
a) New York Stock Exchange (NYSE)
b) NASDAQ
c) London Stock Exchange (LSE)
d) Chicago Stock Exchange (CHX)

32.What term is used to describe the measure of how rapidly and widely stock prices or market indices change over time? (a)
a) Liquidity
b) Volatility
c) Beta
d) Yield

33.Which of the following statements about bonds is true? (c)
a) Bonds represent ownership stakes in a corporation.
b) Bondholders have voting rights in the issuing company.
c) Bonds typically pay fixed interest payments to bondholders.
d) Bond prices tend to increase when interest rates rise.

34.What is the primary purpose of a stock index? (a)
a) To measure the performance of a group of stocks
b) To set the price of individual stocks
c) To regulate stock trading
d) To determine dividend payments

35.Which of the following factors affects the demand for a security? (d)
a) Future earnings potential of the issuing company
b) Market sentiment
c) Interest rates
d) All of the above

36.What is the primary function of a stock exchange? (b)
a) To issue new shares of stock
b) To facilitate the trading of existing securities
c) To provide loans to investors

d) To regulate the financial markets

37.Which of the following is NOT a type of stock market order? (d)

a) Market order
b) Limit order
c) Stop order
d) Growth order

38.What term describes the risk associated with the financial stability of the issuer of a security? (c)

a) Market risk
b) Credit risk
c) Interest rate risk
d) Inflation risk

39.Which of the following best defines a bull market? (c)

a) A market characterized by declining prices
b) A market with low trading volumes
c) A market where prices are expected to rise
d) A market with stagnant prices

40.What is the term used to describe a market where securities are bought and sold before their initial issuance? (a)

a) Secondary market
b) Tertiary market
c) Primary market
d) Over-the-counter market

41.What does the term "dividend yield" indicate? (b)

a) The percentage increase in stock price over a period
b) The rate of return on a stock investment based on dividends paid
c) The amount of dividend income received per share
d) The difference between the bid and ask price of a stock

42.Which of the following is NOT considered a major stock exchange in the United States? (d)

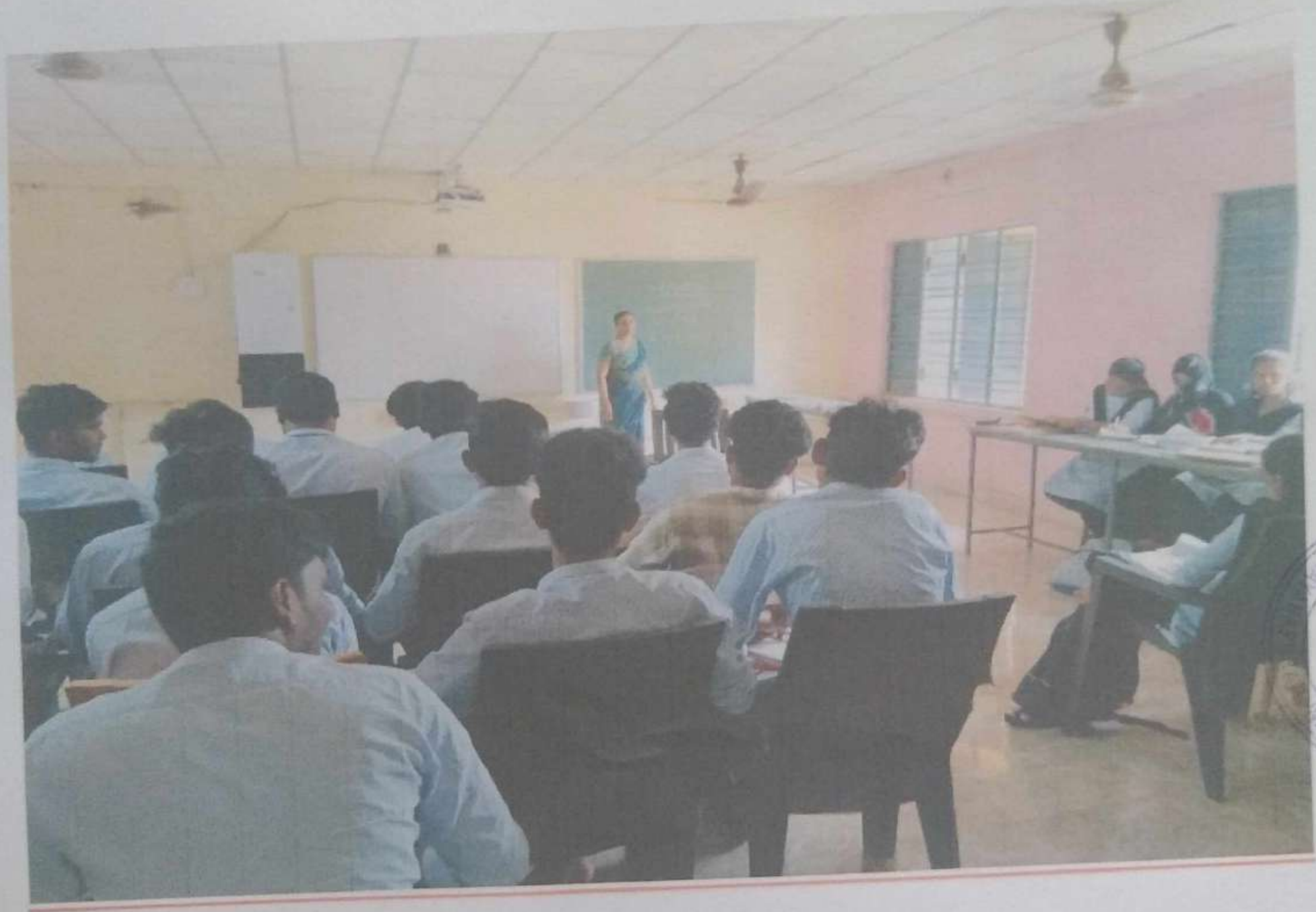
a) New York Stock Exchange (NYSE)
b) NASDAQ
c) London Stock Exchange (LSE)
d) Chicago Stock Exchange (CHX)

43.What term is used to describe a security that represents ownership in a corporation? (b)

a) Bond
b) Derivative
c) Stock
d) Option

44.Which of the following statements about mutual funds is true? (b)
a) They are not subject to market risks.
b) They are typically actively managed by fund managers.
c) They provide guaranteed returns to investors.
d) They trade on stock exchanges throughout the day.
45.What is the primary purpose of financial regulation in securities markets? (a)
a) To eliminate competition among market participants
b) To ensure fair and transparent trading practices
c) To maximize profits for individual investors
d) To discourage innovation in financial products

46.What term describes a market where securities are bought and sold directly between two parties without the involvement of an intermediary? (b)
a) Over-the-counter (OTC) market
b) Primary market
c) Secondary market
d) Auction market
47.Which of the following best describes a limit order? (c)
a) An order to buy or sell a security at the current market price
b) An order to buy or sell a security at a specified price or better
c) An order to buy or sell a security immediately at the best available price
d) An order to buy or sell a security only if certain conditions are met
48.What is the term used to describe the total dollar value of all securities traded in a market during a specific period? (c)
a) Market capitalization
b) Market volume
c) Market liquidity
d) Market volatility
49.Which of the following is NOT a characteristic of common stock? (a)
a) Ownership in the company
b) Fixed dividend payments
c) Voting rights
d) Residual claim on assets
50.What does the term "bid" represent in the context of securities trading? (a)
a) The price at which a security is offered for sale
b) The price at which a security is bought by a trader
c) The difference between the highest price a buyer is willing to pay and the lowest price a seller is willing to accept
d) The amount of money an investor is willing to pay for a security



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CERTIFICATE OF COMPLETION

This is to certify that Mr/Ms. CH. GOPI

of III B Com class has Successfully completed certificate course in Security Markets hours conducted

from 1/7/2019 To 10/8/2019 by Department of Political Science

Course Co-ordinator — Incharge, Department of Commerce, SAS GOVERNMENT DEGREE COLLEGE, NARAYANAPURAM

IQAC Co-ordinator

Principal — PRINCIPAL, SAS GOVT. DEGREE COLLEGE, NARAYANAPURAM, West Godavari District. Pin: 534 406, Andhra Pradesh

Report on the Certificate course

SAS GOVT. DEGREE COLLEGE ★ NARAYANAPURAM, W.G.Dt. ★

As a part of academic activity, the department of Commerce has conducted certificate course in 'Security Markets ' from 01.06.2019, for the academic year 2019-20. The important objective of the course is to improve basic knowledge in Security Markets among the UG degree students. As per the instructions given by the principal during the minutes of the meeting 13 members of students are enrolled in to the certificate course for 3rd B.Com(General) to enrich the Security Markets , the Commerce faculty member have engaged classes for 30Hours and dealt the basic concepts of the subject . At the end of the course, an external examination with multiple choice questions has conducted for the assessment of learners understanding levels of knowledge. The minimum qualifying of marks for the award of certification is 40%. All the students completed the course successfully and got certificates during the academic year 2019-2020.

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