**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU -27**

Registration Number:

Date & Session: 14-12-2022 (9am)

**B.Com – V SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2022**

**(Examination conducted in December 2022)**

**BPS 5618: CAPITAL MARKETS FOR BPS**

**Time: 2 ½ Hours Max Marks: 70**

**This paper contains \_\_\_\_\_\_ printed pages and \_\_\_\_\_ parts**

**Section A**

I. Answer any **five** of the following  **(5 X 2 = 10marks)**

1. What is Capital Market?
2. State the meaning of Stock Split.
3. What do you mean by Junk Bond?
4. What is a call option?
5. State any two purposes of corporate action.
6. Mention the objectives of mutual funds.

**Section B**

II. Answer any **three** of the following **(3 x 5 = 15 marks)**

1. Elaborate the types of speculators in the stock market.
2. Differentiate between Private Equity Fund and Hedge fund.
3. Give a brief note on risk and the types of risk in the market.
4. What is investment banking? Elucidate the functions of an investment bank.

**Section C**

III. Answer any **two** of the following **(2 x 15 = 30 marks)**

1. What is a derivative contract? State the participants in derivative market and explain the types of derivative contract available in the market.
2. Elaborate the classification of mutual funds with an example.
3. a) Explain the nature of capital market in India. **(5m)**

b) Elucidate the types of fixed income securities **(10 m)**

**Section D**

**IV** **Answer the following (1 X 15 = 15 marks)**

1. *Morgan Stanley to buy E-Trade for $13bn in bid to tap online traders*

Morgan Stanley announced its plans to buy E-Trade, the electronic platform used by financial traders, for $13 billion in February 2020.

The biggest takeover by a major American lender since the 2008 global financial crisis, conversations prior to the eventual deal began as early as 2002 according to the bank’s CEO James Gorman. The bank will pay $58.74 a share in stock for E-Trade, gaining an additional 5.2 million customer accounts and a further $360 billion in assets

**Questions**

A. What is meant by corporate action? (2 marks)

B. What type of corporate action is referred in this case? (2 marks)

C. Explain the types of corporate actions seen in any organization.

 (7 marks)

D. How do investment banks raise capital for companies? (4 marks)

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*