

AS PER AP-CBCS SYLLABUS 2025-2026

COMPUTER APPLICATIONS(MAJOR/MINOR)

3RD YEAR – SEMESTER - V

COURSE 13: STOCK MARKETS

(Common to All Universities in AP)

UNIT I: INTRODUCTION

Nature, Scope and basics of stock market, Need of Investment-Short and Long Term investment- Money market Vs Capital Market-Primary Market-Secondary Market - Types of Investors- Speculators, Hedgers, Arbitraders.

UNIT – II: CAPITAL MARKETS

Definition, Participants of Capital Market, Participants of Primary Market, issues of Equity Shares , Preference Shares and Debentures .Types of Mutual Funds. Secondary Market -Stock Exchange - National Stock Exchange of India.

UNIT-III: FINANCIAL INTERMEDIARIES

Depositories -Buy Back of Shares-- Forward Contract and Future Contract- differences -Participants in Future Contract- Clearing of Mechanism.

UNIT-IV: STOCK INDICES

Index and its types-SENSEX- Calculation
Methodology-Types of Clearing Members.

UNIT-V: REGULATORY MECHANISM

Security and Exchange Board of India (SEBI)-Powers, functions - Over the Counter Exchange (OTCE) of India- Functions and Mechanism.



IMPORTANT QUESTIONS

LEVEL – 1

UNIT-I: INTRODUCTION

- ❖ Explain the nature and scope of the stock market. 1
- ❖ Compare and contrast the money market and the capital market. 5
- ❖ Describe the primary market and its role in the financial system. 7
- ❖ Explain the secondary market and its significance for investors. 9
- ❖ Identify and describe the different types of investors in the stock market. 11
- ❖ Discuss the role and characteristics of speculators in the stock market. 13
- ❖ Explain the concept of hedgers and their importance in risk management. 16
- ❖ Define arbitrage and discuss its impact on market efficiency. 18

UNIT-II: CAPITAL MARKETS

- ❖ Discuss the participants of the capital market and their roles. 37
- ❖ Explain the participants of the primary market and their functions. 39
- ❖ Describe the process of issuing equity shares in the primary market. 41
- ❖ Discuss the issuance of preference shares and their characteristics. 42

- ❖ Explain the process of issuing debentures and their significance.44
- ❖ Identify and explain the types of mutual funds available in the market.47
- ❖ Explain the role of stock exchanges in the secondary market.51

UNIT-III: FINANCIAL INTERMEDIARIES

- ❖ Define financial intermediaries and explain their role in the financial system.66
- ❖ What are depositories? Discuss their functions and types.69
- ❖ Explain the concept of share buyback. Discuss its process, advantages, and disadvantages.71
- ❖ Differentiate between forward contracts and futures contracts.73
- ❖ Discuss the participants involved in futures contracts and their roles.75
- ❖ Explain the clearing mechanism in futures contracts.76
- ❖ Discuss the issuance of preference shares and their characteristics.82
- ❖ Explain the process of issuing debentures and their significance.84
- ❖ Identify and explain the types of mutual funds available in the market.86

UNIT-IV: STOCK INDICES

- ❖ Define stock indices and explain their types.97
- ❖ Discuss the BSE Sensex, its significance, and the methodology used for its calculation.100
- ❖ Describe the base year and base value used in the

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❖ Explain the mechanism of OTCEI in providing a transparent and efficient trading system	137

LEVEL - 2

❖ Discuss the need for investment and differentiate between short-term and long-term investments.	4
❖ Analyze the interaction between speculators, hedgers, and arbitrageurs in the stock market.	20
❖ Define capital markets and explain their significance in the economy.	35

- ❖ Describe the secondary market and its importance in capital markets.49
- ❖ Discuss the functioning and significance of the National Stock Exchange (NSE) of India.53
- ❖ Describe the process of issuing equity shares in the primary market.80
- ❖ Compare and contrast the roles of TM-CM, PCM, and SCM in the clearing and settlement process. 111
- ❖ Discuss the importance of clearing members in ensuring the smooth functioning of the stock market. 114
- ❖ Describe the functions of OTCEI in facilitating capital raising for small and medium-sized enterprises 135
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