



The Institute of
Bankers Pakistan

Time Allowed: 3 Hours

Maximum Marks: 100

Date: December 12, 2019

**Capital Markets
AIBP (Specialization)**

Roll No:

Instructions:

- i. Attempt ALL questions;
- ii. Answers must be neat, relevant and brief;
- iii. In marking the question paper, the examiners take into account clarity of exposition, logic of arguments, presentation and language;
- iv. Read the instructions printed inside the top cover of answer script CAREFULLY before attempting the paper;
- v. DO NOT write your Name, Access No. or Roll No. etc. anywhere inside the answer script(s);
- vi. Candidates are advised not to mark any of the objective answer on the question paper, otherwise their paper will be cancelled;
- vii. Question Paper must be returned to invigilator before leaving the examination hall.

SECTION B: SUBJECTIVE

All the questions from Section B are compulsory. (40 Marks)

Q1. List down the functions of a Financial Market. (05 Marks)

Q2. Differentiate between Portfolio Risk and Asset Risk. (03 Marks)

Q3. Briefly describe the following:

A. Arbitrage Pricing Theory (04 Marks)

B. Capital Asset Pricing Model (04 Marks)

C. Systematic and Unsystematic Risk (04 Marks)

Q4. As per The Rule Book of Pakistan Stock Exchange Limited, list down the specific information which should be included in the order confirmation delivered to the clients by Trading Right Entitlement Certificate holder/ stock broker after execution of sales transaction at exchange terminal. (05 Marks)

Q5. Calculate the bank Discount Yield and the Yield to Maturity (YTM) equivalent return for the following Treasury bills:

Purchase price = Rs.96; par value = Rs.100; maturity = 120 days. **(05 Marks)**

Q6. Specify the rules mentioned in The Rule Book of Pakistan Stock Exchange Limited relating to closure of share transfer books by a company. (05 Marks)

Q7. Differentiate between Money Markets and Capital Markets. (05 Marks)

X ——— END OF PAPER ——— X