SMIT SIR COMMERCE

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ORGANISATION OF COMMERCE AND MANAGEMENT

STANDARD 12

CHAPTER 9

Financial Market

Complete Concept Notes | Simple Explanations | Examples | Exam Preparation

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Learn the Concept. Understand the Logic. Write Better Answers.

Chapter at a Glance

This chapter explains how the financial system connects savers, borrowers, investors and financial institutions. It covers the short-term Money Market, long-term Capital Market, stock exchanges, demat/depository services, trading procedure and SEBI.

Part	Textbook Area	Core Focus
1	Concept of Financial Market	Money market + capital market
2	Money Market	Meaning, characteristics, organised/unorganised market, instruments
3	Capital Market	Meaning, characteristics, primary and secondary markets
4	Stock Exchange	Characteristics and functions
5	Demat & Depository	NSDL, CDSL and depository services
6	Trading Procedure	Online purchase/sale process
7	SEBI	Objectives and 15 functions

EXAM IMPORTANT

High-value exam areas: money-market characteristics/instruments, capital market, primary vs secondary market, stock-exchange functions, depository services, trading procedure and SEBI functions.

Learning Objectives

- explain the concept of financial market and its two major divisions.
- define money market and explain its characteristics.
- distinguish organised and unorganised money markets.
- explain all five money-market instruments in the textbook.
- define capital market and explain its characteristics.
- distinguish primary and secondary markets.
- explain characteristics and functions of stock exchange.
- explain demat account, depository, NSDL and CDSL.
- explain all nine depository services.
- write the seven-stage trading procedure.
- explain SEBI's three objectives and fifteen functions.

SMIT SIR'S NOTE

Easy map: Financial Market -> Money Market + Capital Market -> Primary + Secondary -> Demat/Depository -> Trading -> SEBI.

9.1 Concept of Financial Market

Meaning: Financial market is an important part of financial structure where financial assets and securities are issued, purchased and sold and where savers' funds reach borrowers and users of capital.

Participants mentioned in the chapter: issuers/borrowers, purchasers/investors and financial intermediaries such as financial institutions.

KEY TERM - FINANCIAL MARKET

A market that facilitates transfer of funds and transactions in financial securities between savers/investors and borrowers/issuers.

The chapter divides financial market into Capital Market and Money Market. Capital market deals mainly with long-term securities; money market deals mainly with short-term securities.

Financial Market - Classification

Financial Market	Sub-Market	Main Nature
Financial Market	Money Market	Short-term funds and instruments
Financial Market	Capital Market	Long-term funds and securities
Capital Market	Primary Market	Newly issued securities
Capital Market	Secondary Market / Stock Exchange	Trading in already-issued securities

REMEMBER THIS

Money Market = short term. Capital Market = long term. Primary = new issue. Secondary = existing securities.

9.2 Money Market

Meaning: Money market is a market for short-term instruments and short-term borrowing/lending. The textbook generally treats instruments with maturity of one year or less as money-market instruments.

KEY TERM - MONEY MARKET

A market dealing in short-term financial assets and instruments having high liquidity and close substitutes for money.

Examples from the chapter: treasury bills, commercial papers, certificate of deposits, commercial bills and call/notice money.

9.2.2 Characteristics of Money Market

No.	Characteristic
1	Money market is divided into organised money market and unorganised money market.
2	It deals in short-term assets/instruments, generally maturing within one year.
3	Creditworthiness of participants is important.
4	It consists of a network of institutions such as RBI, commercial banks, financial institutions, mutual funds and others.
5	It is a market of financial instruments approaching money in liquidity.
6	Sub-branches develop with economic and technological development.
7	Most instruments are debt instruments and carry comparatively lower risk.
8	Success of operations depends on the banking system and financial institutions.

9.3 Organised and Unorganised Money Market

Organised Money Market: A formal money market consisting of institutions such as the Reserve Bank of India, commercial banks, mutual funds and other regulated institutions. It is systematically co-ordinated and regulated.

Unorganised Money Market: Informal money market where activities are not fully regulated or systematically co-ordinated in the same manner. The source mentions indigenous bankers, moneylenders, landlords, pawn brokers and similar informal participants.

Basis	Organised Money Market	Unorganised Money Market
Nature	Formal and regulated	Informal / less formally regulated
Participants	RBI, banks, institutions, mutual funds etc.	Moneylenders, indigenous bankers, pawn brokers etc.
Co-ordination	Systematic	Comparatively weak / informal
Regulation	Regulated through formal framework	Not regulated in the same organised manner

9.4 Instruments of Money Market

Instrument	Core Meaning
Treasury Bills	Short-term government instrument.
Commercial Papers	Short-term unsecured promissory notes issued by eligible companies.
Certificate of Deposits	Negotiable unsecured receipt/instrument issued by banks/financial institutions.
Commercial Bills	Bills arising from credit sale of goods; may be discounted.
Call and Notice Money	Very short-term borrowing/lending, especially among banks/institutions.

9.4.1 Treasury Bills

Explanation: Short-term financial instruments issued by the Reserve Bank of India on behalf of the Government of India. The source mentions treasury bills of different maturities such as 91-day, 182-day and 364-day bills.

Why Important: They are issued at discount and redeemed at face value, so the difference represents return.

9.4.2 Commercial Papers

Explanation: Short-term unsecured promissory notes used by eligible companies for short-term fund requirements. The chapter notes that they are issued at discount and are regulated by RBI guidelines.

Why Important: Useful to companies needing short-term finance without creating a charge on assets.

9.4.3 Certificate of Deposits

Explanation: Unsecured, negotiable instruments issued by commercial banks and financial institutions. They are different from ordinary fixed-deposit receipts because they are negotiable and transferable.

Why Important: Used to mobilise short-term funds from investors.

9.4.4 Commercial Bills

Explanation: Bills created out of credit sale of goods. Trade bills accepted by commercial banks become commercial bills and can be discounted/re-discounted.

Why Important: Helps sellers convert credit sales into earlier cash.

9.4.5 Call and Notice Money

Explanation: Very short-term money market borrowing. Call money is generally for one day; notice money is for more than one day and up to a short period as described by the source.

Why Important: Important for managing short-term cash reserve and liquidity needs of banks.

EXAM IMPORTANT

Learn the five instruments exactly: Treasury Bills, Commercial Papers, Certificate of Deposits, Commercial Bills, Call and Notice Money.

9.5 Capital Market

Meaning: Capital market is an organised market that provides long-term capital to industrial and other enterprises from savings of the community.

Source idea: It is a market for long-term securities such as shares, debentures and government securities.

KEY TERM - CAPITAL MARKET

A market for long-term funds and long-term securities.

9.5.2 Characteristics of Capital Market

- Long-term capital: Deals mainly in long-term funds.
- Important securities: Includes government securities, debt instruments and securities of industrial enterprises.
- Long-term investment: Funds are invested for longer periods.
- SEBI regulation: Capital market in India operates under SEBI's regulatory framework.
- Transfer of ownership: Securities such as shares and debentures can be transferred.
- Availability of surplus assets/securities: Provides various long-term investment instruments.
- Two parts: Primary Market and Secondary Market.

9.6 Primary Capital Market

Meaning: Primary market is the market for newly issued securities. Investors buy new securities issued to raise capital.

KEY TERM - PRIMARY MARKET

Market in which newly issued securities are offered to investors for the first time.

Characteristics from the chapter:

- It is a market for newly issued securities.
- New securities are sold and investors can buy them.
- Many intermediaries may participate, such as issue managers, registrars and share brokers.
- New capital is raised through issues/prospectus.

9.7 Secondary Market / Stock Exchange

Meaning: Secondary market is the market in which securities already issued earlier are bought and sold. Stock exchange is a key organised institution of this market.

KEY TERM - STOCK EXCHANGE

An organised market providing facilities for purchase and sale of existing securities.

Source references: The chapter discusses Bombay Stock Exchange and National Stock Exchange as major examples.

9.7.2 Characteristics of Stock Exchange

- Registered Corporate Body: Operates as a registered established body under prescribed rules.
- Approval of Government / Legal Framework: Works under legal and regulatory provisions.
- Organised Market: Provides an organised place/system for security transactions.
- Membership: Transactions are conducted through authorised members/brokers.
- Market of Securities: Deals in approved/listed securities.
- Listing of Securities: Securities traded must be listed/approved.
- Management: Administration is conducted through its management/board.
- Strict Control over Members: Members follow disciplinary and operational rules.
- Organisational Structure: Operates through a defined organisational system.
- Regulation: Stock exchanges in India are regulated by SEBI and securities-law framework.

9.7.3 Functions of Stock Exchange

- 1. Liquidity - provides a continuous market for purchase and sale of securities.
- 2. Valuation of Securities - market prices help in valuation according to demand and supply.
- 3. Conversion of Savings into Capital - channels investors' savings toward capital formation.
- 4. Intermediary in Creation of Capital - helps investors and companies connect through market mechanisms.
- 5. Safety in Transactions - transactions are carried out under rules and regulatory supervision.
- 6. Growth of Capital Market - supports development of industrial and financial markets.
- 7. Facilities to Perform Activities - members receive the facilities required for market transactions.
- 8. Necessary Facilities for Speculation - facilitates legitimate/speculative market activity under rules.
- 9. Information Provider - gives information about securities, companies and market conditions.
- 10. Listing of Securities - provides listing facility to eligible company securities.
- 11. Guidance to Investors - disseminates useful information and supports investor awareness.

EXAM IMPORTANT

Functions are a strong long-answer topic. Remember the flow: Liquidity -> Valuation -> Savings to Capital -> Safety -> Growth -> Information -> Listing -> Guidance.

9.8 Concept of Demat Account

Meaning: Demat account is an account in which securities that were traditionally represented by physical certificates are held in electronic form.

The source explains dematerialisation as conversion of physical securities into electronic data through computer systems. The reverse process is called rematerialisation.

KEY TERM - DEMAT ACCOUNT

An electronic account used to hold securities in dematerialised form.

REMEMBER THIS

Bank account stores money; Demat account stores securities electronically.

9.9 Depository

Meaning: A depository is an institution that holds securities in electronic form and facilitates transfer/settlement through depository participants.

The chapter mentions two depositories in India:

Depository	Full Form / Source Detail
NSDL	National Securities Depository Limited
CDSL	Central Depository Services (India) Limited

Depository Participant (DP): An intermediary/representative through whom investors use depository services. Banks, financial institutions and share brokers can act as DPs subject to the applicable framework.

9.9.4 Depository Services

- 1. Dematerialisation and Rematerialisation - convert physical securities to electronic form and back when permitted/required.
- 2. Easy Transfer of Securities at Less Expense - faster transfer with less paperwork and fewer physical-transfer problems.
- 3. Prompt Settlement of Transaction - electronic settlement makes transactions quicker.
- 4. Record in Customer's Account - bonus/right/public-issue securities can be credited electronically.
- 5. Facility to Mortgage - securities can be pledged/mortgaged for loans according to rules.
- 6. Facility to Freeze or Close Account - account can be frozen for a period when needed.
- 7. Record and Storage of Information - transaction records remain stored and accessible.
- 8. Link between Investor and Clearing House - supports securities settlement between investor and clearing system.
- 9. Service through Internet - investors can access account-related services/information electronically through the depository system.

9.10 Trading Procedure of Security

The source explains that modern stock exchanges use screen-based electronic trading. Investors place purchase/sale orders through brokers.

Step	Trading Procedure
1	Open Demat Account
2	Place Order to Buy / Sell
3	Execution of Order
4	Contract Note
5	Settlement of Transaction
6	Payment of Amount and Delivery of Security
7	Inform Customer of Settlement

1. Open Demat Account

Investor opens a demat account through a depository participant to hold securities electronically.

2. Order to Buy-Sell

Investor places order through broker and specifies security and price conditions. The source distinguishes Limited Order and Market Order.

3. Execution of Order

Broker places and executes the order through the stock exchange's online trading system.

4. Contract Note

Broker issues a contract note confirming transaction details such as security, quantity, price, time, brokerage and applicable charges.

5. Settlement of Transaction

The transaction is settled through the exchange/clearing mechanism.

6. Payment and Delivery

Buyer makes payment and seller delivers securities according to the settlement system.

7. Inform Customer of Settlement

Broker/customer receives information about completion of settlement through account/system records.

REMEMBER THIS

Trading sequence: Demat -> Order -> Execute -> Contract Note -> Settlement -> Pay/Deliver -> Inform.

Limited Order vs Market Order

Basis	Limited Order	Market Order
Meaning	Order is executed at a price specified by the investor or under the stated limit.	Order is executed at the latest available market/quoted price.
Control over Price	Higher	Lower
Execution Certainty	May wait if specified price is not available	Generally faster if market liquidity exists

9.11 SEBI - Securities and Exchange Board of India

The chapter states that SEBI came into existence as a statutory body under the SEBI Act, 1992. Its head office is in Mumbai and it regulates the securities market/stock exchanges in India.

KEY TERM - SEBI

Securities and Exchange Board of India - the statutory regulator of the securities market in India.

9.11.1 Objectives of SEBI

- 1. Protect the interest of investors in securities.
- 2. Encourage the development of the securities market.
- 3. Regulate the securities market.

REMEMBER THIS

SEBI objectives = Protect - Develop - Regulate.

9.11.2 Functions of SEBI - Part 1

- 1. Regulate the Business in Stock Exchange - monitors whether stock exchanges and intermediaries follow specified rules.
- 2. Protection of Interest of Investors - fundamental investor-protection function.
- 3. Registration and Regulation of Intermediaries - registers and monitors merchant bankers, brokers, sub-brokers, registrars and other intermediaries.
- 4. Registration and Regulation of Mutual Funds - registers and regulates mutual funds.
- 5. Prevent Fraudulent Trade - takes steps to prohibit fraudulent trading practices.
- 6. Cancel Registration of Brokers - may cancel registration where rules/guidelines are not followed.
- 7. Regulate Merger and Takeover of Companies - regulates relevant transactions to protect investor interests.

9.11.2 Functions of SEBI - Part 2

- 8. Guidelines with Reference to Public Issues - issues guidelines for capital issues by new/existing companies.
- 9. Self Regulation - encourages professional and self-regulatory discipline among intermediaries.
- 10. Maintaining Stock Exchanges as an Efficient Market - promotes stability and efficiency through rules and guidelines.
- 11. Inspection of Books - may inspect books of issuers, depository participants and beneficial owners when necessary.
- 12. Monitoring and Inspection of Stock Exchange - monitors compliance and can conduct inquiry, inspection and audit.
- 13. Guidelines - issues guidelines from time to time for market intermediaries and activities.
- 14. Obtain Annual and Periodical Reports - receives statements/reports about stock-exchange activities.
- 15. Research Work - undertakes research so regulatory functions can be performed effectively.

EXAM IMPORTANT

SEBI long answer: first write the 3 objectives, then the 15 functions with numbered headings.

Money Market vs Capital Market

Basis	Money Market	Capital Market
Period	Short-term	Long-term
Main Instruments	T-bills, CP, CD, commercial bills, call money	Shares, debentures, bonds and long-term securities
Purpose	Short-term liquidity/funds	Long-term capital formation
Main Participants	Banks, RBI, financial institutions etc.	Companies, investors, intermediaries, stock exchanges
Risk / Liquidity	Generally higher liquidity and comparatively lower risk	Longer maturity and generally greater price/risk exposure

Primary Market vs Secondary Market

Basis	Primary Market	Secondary Market
Securities	Newly issued securities	Already-issued securities
Purpose	Raise new capital	Provide liquidity/trading
Counterparty	Issuer raises funds from investors	Investors trade with other investors through market
Example	New share issue / public issue	Stock exchange trading

Chapter Glossary

Term	Simple Meaning
Financial Market	Market connecting users and suppliers of funds through financial securities.
Money Market	Market for short-term financial instruments.
Capital Market	Market for long-term funds and securities.
Treasury Bill	Short-term government instrument.
Commercial Paper	Short-term unsecured corporate promissory instrument.
Certificate of Deposit	Negotiable short-term instrument issued by banks/financial institutions.
Commercial Bill	Bill arising from credit sale of goods.
Call Money	Very short-term money, generally for one day.
Primary Market	Market for new securities.
Secondary Market	Market for existing securities.
Stock Exchange	Organised market for purchase/sale of listed securities.
Demat Account	Account holding securities electronically.
Depository	Institution holding securities electronically.
NSDL	National Securities Depository Limited.
CDSL	Central Depository Services (India) Limited.
Contract Note	Broker's formal confirmation of a securities transaction.
SEBI	Securities and Exchange Board of India.

Common Mistakes Students Make

COMMON MISTAKE

Wrong idea: Money market deals in long-term funds.
Correct idea: Money market mainly deals in short-term instruments.

COMMON MISTAKE

Wrong idea: Primary market means stock exchange trading.
Correct idea: Primary market deals with newly issued securities; stock exchange is part of secondary market.

COMMON MISTAKE

Wrong idea: Commercial paper and commercial bill are the same.
Correct idea: Commercial paper is an unsecured short-term corporate instrument; commercial bill arises from credit sale of goods.

COMMON MISTAKE

Wrong idea: Demat account holds cash.
Correct idea: Demat account holds securities electronically.

COMMON MISTAKE

Wrong idea: Depository and depository participant are identical.
Correct idea: Depository is the central institution; DP is the investor-facing intermediary/representative.

COMMON MISTAKE

Wrong idea: Limited order and market order are the same.
Correct idea: Limited order specifies a price condition; market order executes at available market price.

COMMON MISTAKE

Wrong idea: SEBI has only an investor-protection role.
Correct idea: The textbook gives three objectives: protection, development and regulation.

COMMON MISTAKE

Wrong idea: Stock exchange only buys and sells securities.
Correct idea: The chapter also gives functions such as liquidity, valuation, information, listing and guidance.

How to Write Major Answers in the Exam

Q1. Explain Characteristics of Money Market

Best structure: Meaning -> 8 numbered characteristics.

Q2. Explain Instruments of Money Market

Best structure: Write all five instruments with 2-3 lines each.

Q3. Explain Stock Exchange and its Functions

Best structure: Meaning -> characteristics -> 11 functions.

Q4. Explain Depository Services

Best structure: Meaning of depository -> NSDL/CDSL -> 9 services.

Q5. Explain Trading Procedure

Best structure: Write all seven stages in exact order.

Q6. Explain Objectives and Functions of SEBI

Best structure: 3 objectives first -> 15 functions with headings.

Practice Set A - MCQs

1. Financial market is mainly divided into:

- A. Money market and capital market
- B. Primary and advertising
- C. Staffing and control
- D. Retail and wholesale only

2. Money market mainly deals with:

- A. short-term funds
- B. long-term land
- C. only equity
- D. only machinery

3. Which is a money-market instrument?

- A. Treasury Bill
- B. Land
- C. Building
- D. Equity share only

4. Commercial paper is:

- A. short-term unsecured corporate instrument
- B. government tax receipt
- C. equity share
- D. fixed asset

5. Certificate of Deposit is issued mainly by:

- A. banks/financial institutions
- B. consumers
- C. retailers
- D. workers

6. Commercial bill arises mainly from:

- A. credit sale of goods
- B. purchase of land
- C. dividend declaration
- D. recruitment

7. Call money generally refers to:

- A. very short-term borrowing

- B. long-term capital
- C. equity ownership
- D. dividend

8. Capital market deals mainly with:

- A. long-term funds
- B. one-day money only
- C. only cash
- D. only inventory

9. Primary market deals in:

- A. newly issued securities
- B. existing securities only
- C. only currency
- D. only bills

10. Secondary market deals in:

- A. existing securities
- B. new issue only
- C. only deposits
- D. only loans

11. Demat account holds:

- A. securities electronically
- B. only physical cash
- C. land records only
- D. inventory

12. NSDL stands for:

- A. National Securities Depository Limited
- B. National Stock Debt Limited
- C. New Securities Development Line
- D. None

13. CDSL stands for:

- A. Central Depository Services (India) Limited
- B. Central Debt Securities Limited
- C. Corporate Depository Stock Line
- D. None

14. SEBI's objective includes:

- A. investor protection
- B. only production
- C. only recruitment
- D. only pricing

15. The first step in online trading procedure is:

- A. open demat account
- B. contract note
- C. settlement
- D. pay-out

Practice Set B - Conceptual MCQs

16. An investor wants to buy only at Rs. 250 or below. Which order?

- A. Limited Order
- B. Market Order
- C. Call money
- D. Commercial bill

17. An investor wants immediate execution at available price. Which order?

- A. Market Order
- B. Limited Order
- C. Treasury bill
- D. CD

18. A company issues shares to public for the first time. Which market?

- A. Primary Market
- B. Secondary Market
- C. Money Market
- D. Call Market

19. An investor sells already-listed shares on NSE. Which market?

- A. Secondary Market
- B. Primary Market
- C. Money Market
- D. Unorganised Market

20. Physical share certificates are converted into electronic form. What is this called?

- A. Dematerialisation
- B. Rematerialisation
- C. Capitalisation
- D. Liquidation

21. Electronic securities are converted back to physical form where permitted. This is:

- A. Rematerialisation
- B. Dematerialisation
- C. Listing
- D. Settlement

22. A broker sends official transaction confirmation. Which document?

- A. Contract Note

- B. Treasury Bill
- C. Prospectus only
- D. CD

23. SEBI registers and monitors mutual funds. Which SEBI function?

- A. Registration and regulation of mutual funds
- B. Recruitment
- C. Production control
- D. Marketing

24. SEBI acts against fraudulent trading. Which function?

- A. Prevent fraudulent trade
- B. Set working capital
- C. Recruit brokers
- D. Manufacture securities

25. A stock exchange provides an easy market for selling securities. Which function?

- A. Liquidity
- B. Staffing
- C. Training
- D. Advertising

MCQ Answer Key

Q	Ans
1	A
2	A
3	A
4	A
5	A
6	A
7	A
8	A
9	A
10	A
11	A
12	A
13	A
14	A
15	A
16	A
17	A
18	A
19	A
20	A
21	A
22	A
23	A
24	A
25	A

Exam Question Bank - One Sentence

- What is financial market?
- What is money market?
- What is capital market?
- What is primary market?
- What is secondary market?
- What is demat account?
- What is depository?
- Give the full form of NSDL.
- Give the full form of CDSL.
- Give the full form of SEBI.

Exam Question Bank - Short Answers

- State any four characteristics of money market.
- Distinguish organised and unorganised money market.
- Explain any three instruments of money market.
- State any four characteristics of capital market.
- Explain characteristics of primary market.
- Explain any five functions of stock exchange.
- State any five depository services.
- Explain Limited Order and Market Order.
- State the objectives of SEBI.
- Explain any five functions of SEBI.

Exam Question Bank - Long Answers

- Explain the instruments of money market.
- Explain characteristics and functions of stock exchange.
- Explain depository services in detail.
- Explain the trading procedure of securities.
- Explain the objectives and functions of SEBI.
- Distinguish money market and capital market.
- Distinguish primary market and secondary market.

Application / Case-Based Practice

Case 1

A company needs funds for 60 days and issues an unsecured promissory instrument. Identify it.

Answer: Commercial Paper.

Case 2

A bank borrows money overnight from another bank. Which instrument?

Answer: Call Money.

Case 3

An investor buys a company's newly issued shares. Which market?

Answer: Primary Market.

Case 4

An investor sells listed shares already in circulation. Which market?

Answer: Secondary Market.

Case 5

An investor converts old paper share certificates into electronic form. Which process?

Answer: Dematerialisation.

Case 6

A broker confirms the transaction details in a formal document. Which document?

Answer: Contract Note.

Case 7

The regulator issues rules to protect small investors and monitor intermediaries. Identify the regulator.

Answer: SEBI.

Case 8

A stock exchange allows investors to sell securities quickly. Which function?

Answer: Liquidity.

5-Minute Chapter Revision

Financial Market: Money Market + Capital Market.

Money Market: Short-term funds; 5 instruments = T-Bills, CP, CD, Commercial Bills, Call/Notice Money.

Capital Market: Long-term funds; Primary + Secondary.

Primary: New securities. Secondary: Existing securities.

Stock Exchange: Liquidity, valuation, safety, information, listing, investor guidance and capital-market development.

Demat: Electronic holding of securities.

Depositories: NSDL and CDSL.

Trading: Demat -> Order -> Execute -> Contract Note -> Settlement -> Pay/Deliver -> Inform.

SEBI: Protect investors + Develop market + Regulate market.

EXAM IMPORTANT

Ultra-short memory: Short-term = Money Market; Long-term = Capital Market; Existing securities = Stock Exchange; Regulation = SEBI.

One-Page Master Revision Sheet

Topic	Must Remember
Financial Market	Money Market + Capital Market
Money Market	Short-term; 5 instruments
Instruments	T-Bill, CP, CD, Commercial Bill, Call/Notice Money
Capital Market	Long-term
Primary Market	New securities
Secondary Market	Existing securities / Stock Exchange
Demat	Electronic securities account
Depositories	NSDL and CDSL
Depository Services	9 textbook services
Trading	7 textbook stages
SEBI Objectives	Protect, Develop, Regulate
SEBI Functions	15 textbook functions

Have You Mastered This Chapter?

- ☐ I can define financial, money and capital markets.
- ☐ I can explain all 5 money-market instruments.
- ☐ I can distinguish organised and unorganised money markets.
- ☐ I can distinguish primary and secondary markets.
- ☐ I can explain stock-exchange characteristics and functions.
- ☐ I can explain demat account, NSDL and CDSL.
- ☐ I can explain all 9 depository services.
- ☐ I can write all 7 trading stages in order.
- ☐ I can explain all 3 SEBI objectives and 15 functions.

CHAPTER 9 COMPLETE

Financial Market

SMIT SIR'S FINAL MESSAGE

Financial markets turn savings into productive finance. Once you understand the time period of funds, the difference between new and existing securities, and the roles of depositories, stock exchanges and SEBI, this chapter becomes highly logical.

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