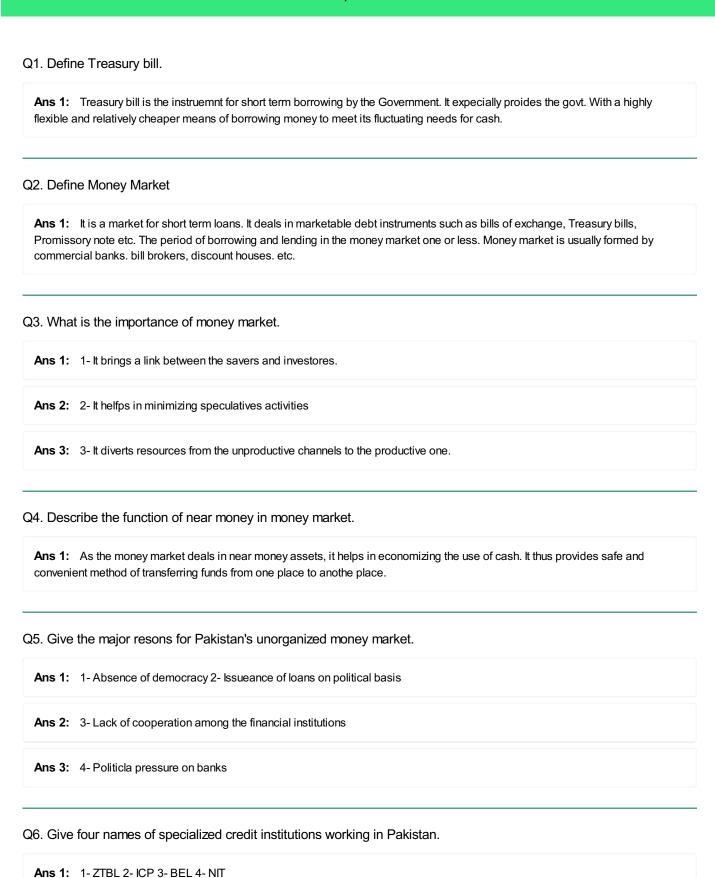


## Principles of Banking (E.M) - ICOM Part 2 Principles of Banking Chapter 13 Short Questions Preparation



Q7.	Define	Capital	market.

**Ans 1:** It is market for medium and long term loans. It is deals in shares, debentures, common stock, Bonds and securities, Capital market is useually formed by finance hosues, investment trusts, insurance companies etc.

Q8. What is the role of discount houses and bill brokers in money market.

**Ans 1:** In developed money markets private companies operate discount housed where as bill brokers operate in udner developed money markets. Both this act as intermediaries between borrowers and the lenders by discounting bills of exchange at a nomianal commission.

Q9. Define Stock certificate.

Ans 1: A documents, issued under the seal of company, showing the ownereship of share in the company.

Q10. Write downt he names of the institutions of money market in Pakistan.

Ans 1: 1- Central Bank 2- Commercial Bank

3- Specialized credit institutions.

Ans 2: 4- Non -banking fFinancial intermediaries.

Ans 3: 5- Bill Brokers and discount houses 6- Acceptance Houses.