



# RAMA UNIVERSITY

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**FACULTY OF COMMERCE AND MANAGEMENT**

**COURSE: BBA (DM)**

**SUBJECT: SECURITY AND PORTFOLIO MANAGEMENT**

**SUBJECT CODE: BBA (DM) 602**

**LECTURE: 1**

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# What are the various types of financial markets?




The Financial Markets can broadly be divided into:

- ❖ MONEY MARKET
- ❖ CAPITAL MARKET

# Capital Market

The market where investment instruments like bonds, equities and mortgages are traded is known as the Capital Market.

The primal role of this market is to make investment from investors who have surplus funds to the ones who are running a deficit.



# Significance of Capital Market

Link between savers and investors

Stability in security prices

Speed up economic growth and development

Helps in capital formation

Helps in creating liquidity



# Capital Market Efficiency

- The degree to which the present asset price accurately reflects current information in the market place.
- Forms:
  - Weak
  - Semi strong
  - Strong