

**THE OPEN UNIVERSITY OF SRI LANKA**  
**BACHELOR OF MANAGEMENT STUDIES DEGREE PROGRAMME**  
**LEVEL 04**



**ASSIGNMENT TEST -2007**

**MCU 2208-MONEY & CAPITAL MARKETS**

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**Date: 31.05.2007**

**Time: 2.00p.m – 4.00 p.m**

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***DURATION TWO(02) HOURS***

**Answer all (04) questions. Each question carries 25 marks.**

01. As a student with knowledge of Money & Capital Markets elaborate the importance of a share market to an economy. (25 Marks)
02. (a) Propose and explain five guidelines to promote the local investments to Colombo Stock Market. (15 Marks)
- (b) A 12% Rs. 100/= Treasury bond with a remaining maturity of 4 years is selling at Rs. 95/=. Calculate its approximate yield to maturity. (10 Marks)
- 03.(a) What are the factors you would consider when you take an investment decision in shares. Explain each. (15 Marks)
- (b) In what ways does an “investment in Shares” differ from “investment in Debentures” in a company? Explain. (10Marks)
04. Write short notes on following as clearly bringing out the concepts and meanings.
- (a) Treasury bills
- (b) All Share Price Index
- (c) Price Time Priority
- (d) Central Depository System
- (e) Credit rating (25 Marks)

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