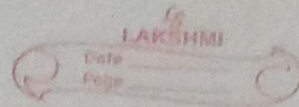


# Capital Market.

Week-2



i) classify financial assets.

Financial assets can be classified into the following categories:-

1. Cash:-

Money in hand or in bank accounts, easily available.

2. Marketable securities:-

Stocks, bonds and other investments that can easily be bought or sold.

3. Accounts receivable:-

Amount owed to the company by its customers.

4. Inventory:-

Goods or materials held for sale, in production, or in the process of being manufactured.

5. Fixed assets:-

Long-term assets like property, plant, and equipment (PP&E) e.g. buildings, machinery, vehicles.

6. Intangible assets:-

Non-physical assets like Patents, Copyrights, trademarks, and goodwill.

7. Financial Instruments:-

Derivatives, options, futures, and other contracts that derive value from an underlying asset.



## 2. Rob of financial System :-

The financial system plays a crucial role in:-

1. Mobilizing saving and channeling them into Investments.
2. Facilitating the flow of funds between savers and borrowers.
3. Providing a platform for buying and selling financial assets.
4. Managing risk through various financial Instruments.
5. Enabling economic growth and development.
6. Ensuring easy conversion of assets into cash.
7. Facilitating Investment, Innovation, and job creation.
8. Ensuring the stability of financial institutions and markets.



8. what is financial Market:-

A financial market is a platform where:-

1. Buyers and sellers trade financial assets (securities, commodities, currencies).

2. prices are determined based on supply and demand.

3. liquidity is provided, enabling easy buying and selling.

Examples of financial markets include:-

1. Stock markets (equity markets)

2. Bond Markets (debt market)

3. Currency markets (foreign exchange markets).

4. Commodity Markets

5. Derivatives markets

Financial markets facilitate the efficient allocation of resources, allowing businesses to raise capital, investors to manage risk, and governments to implement monetary policies.