



# SNS College of Technology

Coimbatore – 35

Reshaping Common Mind & Business Towards Excellence



Build an Entrepreneurial Mindset Through Our Design Thinking FrameWork

23BAE707 – Security Analysis  
and Portfolio Management

Unit II – Securities Markets

Financial Market Segments  
& Types



Presented by

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<sup>1<sup>st</sup></sup> Indian  
*Institution*  
to Implement

Design  
Thinking  
Curriculum

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# Recap

- Risk and Return Concepts



# Financial Market

A place where individuals are involved in any kind of financial transaction refers to financial market. Financial market is a platform where buyers and sellers are involved in sale and purchase of financial products like shares, mutual funds, bonds and so on.

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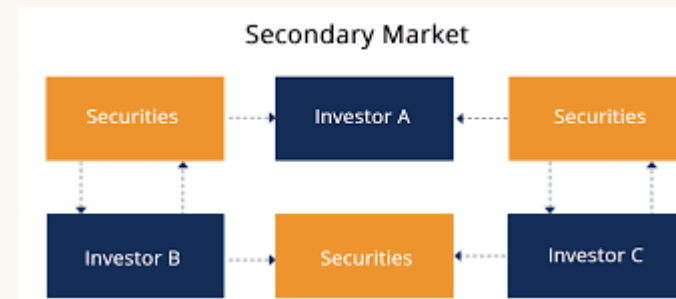


# Segments of Financial Market

**Primary Market:** Primary Market is a form of capital market where various companies issue new stock, shares and bonds to investors in the form of IPO's (Initial Public Offering). Primary Market is a form of market where stocks and securities are issued for the first time by organizations.



**Secondary Market:** Secondary market is a form of capital market where stocks and securities which have been previously issued are bought and sold.





## Primary Market :

- Market mechanism for the buying and selling of new issues of securities.
- Why?
  - To provide fresh inflow of capital for investment.
  - For sale of new securities.

## Secondary Market :

- Where already Listed securities are traded in the stock exchanges.
- Why?
  - Adjust the risk and return trade off.
  - Meet the investors liquidity needs.





# BREAK





# Primary & Secondary - Differences



Basis of Comparison	Primary Market	Secondary Market
Meaning	The place where fresh issue of shares is made	The place where formerly issued securities are traded
Also termed as	New Issue Market	After Market
Type of Purchasing	Direct	Indirect
Number of times a security can be sold	Only once	Multiple times
Buying and Selling between	Company and Investors	Investors
Who will gain the amount on the sale of shares?	Company	Investors
Intermediary	Underwriters	Brokers
Price	Prices are determined by the management with due compliance with SEBI requirement for new issue of securities.	Prices are determined by forces of demand and supply of the market and keeps on fluctuating.





## Activity – Knowledge Check

A,C,R,P,I,M,A,T,E,F,B,J,K,L,Y,S,O,N,D

Form words using these alphabets.







# Functions

- It facilitates mobilisation of savings and puts it to the most productive uses.
- It helps in determining the price of the securities. The frequent interaction between investors helps in fixing the price of securities, on the basis of their demand and supply in the market.
- It provides liquidity to tradable assets, by facilitating the exchange, as the investors can readily sell their securities and convert assets into cash





# Summary

- Financial Market
- Primary & Secondary Market
- Differences

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# THANK YOU...

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