

11 Economics 7 Financial Markets - Types of Financial

Quizlet

Markets

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- all ordinaries index** is a stock index measuring changes in the overall value of companies listed on the Australian Securities Exchange
- The Australian Prudential Regulation Authority (APRA)** is the government body established to regulate all deposit-taking institutions, life and general insurance organisations and superannuation funds
- Australian Securities and Investments Commission (ASIC)** is the government body with responsibility for corporate regulation, consumer protection and the oversight of financial service products
- Australian Securities Exchange (ASX)** is the major share market in Australia, where the purchase and sale of most shares in public companies occurs; the share market brings together people wishing to buy and sell shares to allow transactions to occur
- bonds** are written record of a debt; the borrower sells a bond in return for a loan; the holder of a bond receives interest payments and the final repayment; bonds can be sold in secondary financial markets
- capital gains** are the profits made by investors who sell their shares or assets at a price above the level that they originally paid for them
- Council of Financial Regulators** is a coordinating body for financial market regulation that provides for cooperation and collaboration among its four members, the Reserve Bank of Australia, the Australian Regulation Authority, the Australian Securities and Investments Commission, and the Australian Treasury
- credit** is loans to individuals, businesses and governments for spending on consumption and investment
- dividends** are the profit returns received by the shareholders (owners) of a business
- float** a float occurs when a company lists itself on the stock exchange and offers its shares to the general public for the first time
- primary financial markets** are markets in which firms raise funds by selling financial assets, such as shares or debentures, to investors
- public company** is an entity whose shares are traded freely on the share market, and are not subject to any restrictions on being transferred to other parties
- The Reserve Bank of Australia (RBA)** is Australia's central bank; its main roles are to conduct monetary policy and oversee the stability of the financial system
- secondary financial markets** are markets in which investors trade financial assets, such as shares of debentures, with other investors
- securities** are any form of financial instrument, including shares and bonds, that provide the holder of that instrument with a claim over real assets or a future income stream
- a share** is a type of financial asset that provides an individual with ownership over part of a business or company
- speculation** occurs when investors buy assets with the intention of re-selling them for a higher price within a short period