THE CAPITAL MARKET:
ITS NATURE AND SIGNIFICANCE

STUDIES IN FINANCE AND ACCOUNTING

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The Capital Market: its Nature and Significance

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Contents

<i>General Editors' Preface</i>	vii
1 The Role of the Capital Market and the Purposes which it Serves	1
Reasons for the issue of different types of security/terms of funds supply	10
The functions of the capital market	14
2 The Fund-Raisers	21
The borrowers of finance: An introduction	21
Business borrowings	22
Borrowings by public corporations	31
Borrowings by local authorities	37
Borrowings by central government	43
Summary	46
3 Suppliers of Funds – A Profile of Investors and their Relative Influence	48
The personal sector	48
Institutional investors	56
Other suppliers of funds – bank finance	61
Official and specialist suppliers of finance	65
Conclusion	73
4 The Demand for Capital: New Equipment, its Operation and Finance	76
The processes of capital expenditure	76
Techniques for evaluating capital expenditure	83
Financing capital expenditure	95
Financing the operation of plant and equipment	104

5	The Markets: Procedures and Control	108
	The Stock Exchange	109
	The new issue market	113
	Regulation and control	117
6	Conclusion: the Effectiveness of the U.K. Capital Market	124
	Factors affecting investment and growth	124
	Flexibility and adaptability of the capital market	127
	Remedies for slow growth	129
	<i>Appendix</i>	135
	<i>Notes and References</i>	137
	<i>Index</i>	144

General Editors' Preface

The last few years have been very exciting for research in finance and accounting. An enormous amount has happened, and in many cases traditional thinking and traditional solutions have been completely overthrown. At the same time it is quite clear that research into the theory and, perhaps even more important, into British empirical evidence, will continue to accumulate rapidly. While this is fine for the researcher in his detailed specialist world, it is not so good for the student who wants to acquire a relatively straightforward but up-to-date overview of the subject.

The 'Macmillan Studies in Finance and Accounting' set out to provide short, reasonably critical surveys of the developments within the various specialist areas of business finance and accounting. The emphasis in each study is upon recent work, but each topic will generally be placed in a historical context so that the reader may see the logical development of thought through time. Selected bibliographies are provided to guide readers to more extensive works. Each study aims at a brief treatment of the salient problems in order to avoid clouding the issues in too much detailed argument.

Unfortunately it is inevitable that in a few areas the level of mathematics will be rather near the limit for some students. This is because the rigorous methods of statistics, econometrics and mathematical economics have made a considerable contribution to the research achievements in the subject. Thus, although all the authors in the series have tried hard to make their presentation as lucid as possible there is a point beyond which mathematical arguments cannot be explained non-mathematically except at a superficial level. Nevertheless intuition can go a long way and many students, even with very little mathematical background, have found

that the intrinsic fascination of the subject more than compensates for occasional difficulty.

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