

Duration : 2.5 hours

Marks : 75

N.B.: 1. All questions are compulsory.
2. Figures to the right indicate marks.

Q1. A. Fill in the blanks: (Any 8)

8 Marks

1. _____ shows the relationship between stock price & company earnings.
 - a. P/B ratio
 - b. P/S ratio
 - c. P/E ratio
 - d. EPS
2. The screen based trading system introduced by the BSE is called as _____.
 - a. BOLT
 - b. NEAT
 - c. Bloomberg
 - d. Reuters
3. The law governing companies in India is _____.
 - a. Indian Companies Act 1956
 - b. Company Law Board
 - c. Securities and Contract Regulation Act, 1956
 - d. Industrial Disputes Act, 1932
4. _____ is when company issues shares to a select group of people preferably 50 or less.
 - a. Initial Public Offering
 - b. Private Placement
 - c. Rights Issue
 - d. Sweat Equity
5. The BSE Sensex is value weighted index comprising of _____ stocks.
 - a. 30
 - b. 50
 - c. 75
 - d. 100
6. _____ relies on charts on past data and volume.
 - a. Fundamental Analysis
 - b. Technical Analysis
 - c. Value Analysis
 - d. None of the above
7. _____ refers to amount of profits retained by the company for business purpose.
 - a. Dividend Payout Ratio
 - b. Retention Ratio
 - c. Yield
 - d. Volume

8. According to _____ approach, the cost of equity shares is based upon the stream of unchanged earnings earned by the company.

- a. Earnings to Price
- b. PE
- c. Dividend Cover
- d. Price to book value

9. _____ holds securities in dematerialized form for the investors.

- a. clearing banks
- b. depositories
- c. custodians
- d. clearing members

10. _____ help in advising the company and identifying share issue price for an IPO

- a. Merchant Banker
- b. Primary Dealer
- c. Broker
- d. Stock Exchange

B. State whether True or False: (Any 7):

7 Marks

- 1. SEBI has power to provide license to dealers & brokers of capital market.
- 2. SEBI came into existence on 1st April 1935.
- 3. A clearing member can also be a trading member
- 4. NSE began operations in 1994.
- 5. Share prices would gradually increase during recovery conditions and fall during recession.
- 6. NSCCL settles trades executed at the NSE.
- 7. Support levels are prices where selling is thought to be strong enough to prevent prices from rising higher.
- 8. According to circuit breaker system of the SEBI, if market volatility crosses a certain limit, trading will be stopped for a defined time period.
- 9. Fundamental analysis performs in depth study on company financials and ratio analysis.
- 10. RBI is the regulator of the equity markets.

Q2. A. What is Disinvestment? What are its benefits?

8 Marks

B. Explain Registrar and Transfer Agents and their regulatory role.

7 Marks

OR

C. Define share price volatility. Explain its types.

8 Marks

D. Explain the powers and functions of SEBI in the equity markets.

7 Marks

Q3. A. What is Fundamental Analysis? What are its strengths and weaknesses?

8 Marks

B. Explain Technical Analysis and the various chart patterns.

7 Marks

OR

C. What are the factors affecting share prices?

8 Marks

D. Explain the IPO Process in detail.

7 Marks

- Q4. A. Explain the Brownian Motion and its limitations. 8 Marks
B. Explain the three forms of the Efficient Market Hypothesis. 7 Marks

OR

- C. Explain the stochastic models in equity markets. 8 Marks
D. Explain the concept of Beta in the equity markets. 7 Marks

- Q5. A. State the procedure of buying & selling of shares.. 8 Marks
B. Explain the objectives and the types of market in the NEAT system.. 7 Marks

OR

- Q5. Write short notes on: (Any three) 15 Marks
a. Brokers
b. BSE BOLT
c. Private Placement
d. Constitution of SEBI
e. Benefits of FDI

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