

Q.P. Code :20727

[Time: 2 $\frac{1}{2}$ Hours]

[Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All questions are compulsory.
 2. Figures to the right indicate marks.
 3. Each question carries 15 marks each.

Q.1 A) Fill in the blanks: (**Any Eight**)**08**

1. ----- is the process through which any member owned organization becomes a shareholder owned company.
 - a) Dematerialization
 - b) Privatization
 - c) Globalization
 - d) Demutualization
2. ----- refers to sale of a security that is not owned by the seller.
 - a) Selling
 - b) Margining
 - c) Short selling
 - d) Underlying
3. The screen based trading system of the NSE is called as ----- .
 - a) NEAT
 - b) BOLT
 - c) ODIN
 - d) NSEOL
4. The trading cycle in the equity market segment is ----- .
 - a) T+1
 - b) T+2
 - c) T+3
 - d) T+5
5. ----- plays the role of a lead manager and underwriter during an IPO.
 - a) SEBI
 - b) Merchant Banker
 - c) Promoter
 - d) Primary dealer
6. ----- is a scheme undertaken by companies where shares are offered to employees for talent retention.
 - a) Sweat equity
 - b) ESOP
 - c) Rights issue
 - d) Bonus shares

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7. ----- are bonds that are issued in foreign currency and can be converted into equity.
 - a) ADR
 - b) GDR
 - c) IDR
 - d) FCCB
 8. If Mr. A holds 100 shares of Infosys, and Infosys announces a bonus of 2:5 then the number of bonus shares which Mr. A shall receive is
 - a) 400
 - b) 100
 - c) 300
 - d) 1400
 9. The green shoe clause allows underwriters to buy upto ----- shares at the offering price.
 - a) 20%
 - b) 15%
 - c) 10%
 - d) 25%
 10. A bank which is recognized by ASBA to accept applications online from investor is called as -----
 - a) Investment bank
 - b) Self-certified syndicate bank
 - c) Syndicate bank
 - d) Commercial co-operative bank
- B) State whether True or false (any seven)
- 1) Money market enables the commercial banks to use their excess reserves in profitable investments.
 - 2) Sweat equity shares are given to people with technical know how.
 - 3) For a price band, the difference between the cap and floor should be 15%.
 - 4) Non voting shares are not entitled to profits of the company.
 - 5) ADRs can be listed in India.
 - 6) When a member fails to make payment or deliver securities, then his obligation is fulfilled through auction mechanism.
 - 7) A jobber is an independent broker who deals in securities on his own behalf.
 - 8) Circuit breakers are applied to both equity and derivatives markets.
 - 9) An Indian investor can directly invest in foreign equities.
 - 10) Issue of bonus shares increases market capitalization of the company.

07

- Q.2** A. What are the different classes of equity shares. 08
- B. What is the regulatory framework for financial markets in India. 07
- OR**
- Q.2** C. What is money market? Explain its instruments. 08
- D. Define equity markets. Explain its functions. 07

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- Q.3** A. Explain Red herring Prospectus in detail. **08**
 B. Explain ASBA in detail. **07**
- OR**
- Q.3** C. Explain the different methods of floating new issues in the market. **08**
 D. Explain the role of Depository Receipts in the international equity markets. **07**
- Q.4** A. Explain the different stock market Indices in India. **08**
 B. Define stock exchange. What are the different types of members? **07**
- OR**
- Q.4** C. Explain the following terms. **08**
 1. OTCEI
 2. Circuit breakers
 3. Debt Ratio
 4. Current ratio
- D. Explain the role of stock exchange in the capital markets of India. **07**
- Q.5** A. Explain the need to attract more investors towards equity markets. **08**
 B. Explain the need to strengthen equity markets. **07**
- OR**
- Q.5** Write short note on: (any three) **15**
 a) Primary market
 b) Merchant Banking
 c) Private placement
 d) Benefits of listing
 e) Methods of technical analysis.
