

**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 1<sup>st</sup> 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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