

Duration: 2:30 Hours

Maximum Marks: 75

Note: 1) All questions are compulsory, subject to internal choice.  
2) Figures to the right indicate full marks.

**Q1A) Multiple Choice Questions (Any 8):**

**08**

- 1) Private Placement means \_\_\_\_\_.
  - a) Issue made to select group of people.
  - b) Issue made to those investors who already hold shares of the company
  - c) Issue made to all investors in the Indian securities market
  - d) None of the above
- 2) The issue of new securities to existing shareholders at a ratio to those already held, at no cost to the shareholder, is known as \_\_\_\_\_.
  - a) Bonus Issue
  - b) Rights Issue
  - c) Convertible Issue
  - d) Debenture Issue
- 3) If there is a dispute between a Broker and an Investor with respect to trades done on the stock exchange, they can approach the stock exchange for solving the dispute. This dispute resolving mechanism is called \_\_\_\_\_.
  - a) Arbitration
  - b) Judgement
  - c) Mediation
  - d) Law System of Stock Exchanges
- 4) In India, the \_\_\_\_\_ Rolling Settlement system is followed for Clearing and Settlement.
  - a) T+1
  - b) T+2
  - c) T+3
  - d) T+5
- 5) Market Capitalisation means \_\_\_\_\_.
  - a) No. of shares issued by a company multiplied by its market price
  - b) Value of shares held by promoters of the company
  - c) Value of shares of the company held by Foreign Investors
  - d) Value of shares in the company held by the public
- 6) SEBI's primary role is \_\_\_\_\_.
  - a) to protect the interests of the investors in securities
  - b) to promote the development of securities market
  - c) to regulate the securities market
  - d) All of the above
- 7) Which instrument among these is considered the most challenging and rewarding investment option, when compared to other investment options?
  - a) Treasury Bill
  - b) Fixed Deposit
  - c) Equity
  - d) Bonds

- 8) SEBI handles the investor grievances through a system called \_\_\_\_\_.
  - a) ASBA
  - b) SCORES
  - c) NEFT
  - d) SPAN
- 9) In the \_\_\_\_\_ order, there is no need to specify the price at which a trader wants to purchase or sell.
  - a) Limit
  - b) Stop Loss
  - c) Market
  - d) Bulk Order
- 10) Which is the best BUY Order?
  - a) Buy at Rs. 310
  - b) Buy at Rs. 312
  - c) Buy at Rs 312.50
  - d) Buy at Rs. 311

**Q1B) State whether the following statements are True or False (Any 7): 07**

- 1) The Securities Market helps in transfer of resources from those with extra resources to others who have a productive need for them.
- 2) Arbitration for claims up to Rs. 25 lakhs are decided by a sole arbitrator while a claim of above Rs. 25 lakhs is dealt by a panel of 2 arbitrators.
- 3) Saturdays/Sundays/Bank and Exchange holidays are excluded for arriving of settlement days.
- 4) IDR refers to 'International Depository Receipt'.
- 5) A depository can directly open accounts and provide services to clients.
- 6) The orders of SEBI under the securities laws are appealable before Securities Appellate Tribunal.
- 7) Once the formalities of KYC and other details are complete, each client is assigned a Unique Client Code by the broker.
- 8) Operational risk occurs when the rules governing the securities industry are changed, giving rise to a potential loss.
- 9) Warrants entitle an investor to buy equity shares after a specified time period at a given price.
- 10) CDSL stands for 'Central Depository Services (India) Limited'.

**Q2A) What is a Demat account? Who is a Depository and a Depository Participant? 08**

- B) What is the role of a stock exchange? Name any two stock exchanges in India. 07**

**OR**

- C) What is secondary market and who are the major players in it? 08**

- D) Explain the development of equity culture in India. 07**

- Q3A)** Explain in brief any two Overseas Stock Exchanges. **08**
- B)** Exodus Ltd. has earned a profit before tax of Rs.30 lakhs. It has a tax bracket of 50%. Preference Share Dividend is Rs. 5 lakhs. The number of Equity Shares is 1 lakh shares of Rs.10 each fully paid up. The market price per share is Rs.135.00  
Calculate: (i) Earnings per share (ii) Price-Earnings (P/E) ratio. **07**
- OR**
- C)** Explain the Trade Life Cycle in the securities market. **08**
- D)** What are the types of risks for a broker? **07**
- Q4A)** What is book-building? Describe the process of book-building. **08**
- B)** Differentiate between Fundamental Analysis and Technical Analysis. **07**
- OR**
- C)** What are the functions of a Merchant Bank? **08**
- D)** What is the procedure for investment in the secondary market? **07**
- Q5A)** Explain market indices with reference to India. **08**
- B)** Write a brief note on Red Herring Prospectus and ASBA **07**
- OR**
- C)** Write a Short Note on: (Any 3) **15**
- i. Rolling Settlement
  - ii. Registrar and Transfer Agent
  - iii. Technical Analysis
  - iv. ADR & GDR
  - v. NEAT & BOLT

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