266

Roll No..........................

Time allowed : 3 hours *Maximum marks : 100*

Total number of questions : 8 *Total number of printed pages : 4*

PART—A

(Answer Question No.1 which is compulsory and any three of the rest from this part.)

1. (a) State, with reasons in brief, whether the following statements are true or false :

(i) Sweat equity shares are allotted to employees of a company as gift for their performance.

(ii) Continuing disclosure by listed companies under the SEBI Takeover Code affects the market price of company's shares.

(iii) In case of rolling settlement, the delivery of funds and securities is settled on T+2 basis.

(iv) The Central Government cannot privately place the government securities with the Reserve Bank of India.

(v) Listing of securities with stock exchanges is a matter of great importance.

(2 mark each)

(b) Choose the most appropriate answer from the given options in respect of the following :

(i) The responsibility for regulating the securities market is not shared by the —

(a) SEBI

(b) Reserve Bank of India

(c) Stock Exchanges

(d) Ministry of Corporate Affairs.

(ii) The mechanism for employees to report to the management certain events like, unethical behaviour, suspected fraud or violation of the company's code of conduct is known as —

(a) Whistle blower policy

(b) Surveillance action

(c) Market abuse

(d) Snap investigation.

(iii) The money market instrument which is issued in the form of a promissory note is called —
(a) Commercial bill
(b) Commercial paper
(c) Treasury bill
(d) Unit issued by a 'money market mutual fund' (MMMF).

(iv) Before 1992, the authority which used to regulate and deal with the stock market was the —
(a) Reserve Bank of India
(b) Controller of Capital Issues
(c) Registrar of Companies
(d) SEBI.

(v) Stock brokers and sub-brokers are required to be registered with the —
(a) SEBI
(b) Stock exchanges
(c) Registrar of Companies
(d) Both (a) and (b).

(1 mark each)

2. (a) Write short notes on the following :
(i) Securities lending
(ii) Fungibility
(iii) Custodian of securities.

(3 marks each)

(b) Expand the following abbreviations :
(i) OMO
(ii) FSO
(iii) STR.

(1 mark each)

(c) What are the securities which are not available for buy-back ?

(3 marks)

3. (a) Distinguish between ***any two*** of the following :.
(i) 'Primary market' and 'secondary market'.
(ii) 'Close ended schemes' and 'open ended schemes'.
(iii) 'Disaster bonds' and 'dual convertible bonds'.

(3 marks each)

(b) "Capital market intermediaries are a vital link between the SEBI and investors in a public issue." Comment.

(5 marks)

(c) Explain the following grading scales for healthcare institutions given by CRISIL :

(i) Grade A

(ii) Grade B

(iii) Grade C

(iv) Grade D.

(1 mark each)

4. (a) What are the obligations of a capital market intermediary under the Prevention of Money Laundering Act, 2002 ?

(5 marks)

(b) List out any four clauses of listing agreement.

(5 marks)

(c) "Depository system is a boon to capital market and investors, both." Elucidate the statement and bring out the advantages of the dematerialisation of securities.

(5 marks)

5. (a) Define 'NAV' and 'offer price'. If Rahul invests Rs.10,000 in a scheme that charges 2% front end load at an NAV of Rs.10 per unit, what shall be the public offer price ?

(5 marks)

(b) What are the pre-requisites for 'option trading' ? Explain the issues connected with option trading.

(5 marks)

(c) Explain the concept of 'collective investment scheme'. State briefly the obligations of trustees.

(5 marks)

PART—B

(Answer ANY TWO questions from this part.)

6. (a) What is 'initial public offering' (IPO) grading ? Explain the procedure for IPO grading.

(5 marks)

(b) What is 'green shoe option' ? Explain its significance.

(5 marks)

(c) List out the various approvals required for issuance of 'Global Depository Receipts' (GDRs) and the documentation required therefor.

(5 marks)

(d) Explain the procedure adopted for approval of 'basis of allotment' by the stock exchanges.

(5 marks)

7. (a) Explain ***any three*** of the following terms relating to debt market in India :

(i) Benchmarked instruments

(ii) Inflation linked bonds

(iii) Pass through certificates

(iv) Floating interest rate.

(2 marks each)

(b) What is meant by the following in a public issue :

(i) Subscription list

(ii) Issue opening date

(iii) Mandatory collection centre ?

(3 marks each)

(c) What is the 'investor education and protection fund' (IEPF) ? Briefly explain its activities as stipulated under the IEPF Rules.

(5 marks)

8. (a) What do you understand by 'fast track issues' ? Explain in brief the provisions related to fast track issues.

(6 marks)

(b) Write short notes on the following :

(i) Foreign currency convertible bonds (FCCBs)

(ii) Overseas depository bank

(iii) Prohibition of certain dealings in securities under the SEBI Regulations.

(3 marks each)

(c) What are the requirements for making investment in Indian Depository Receipts (IDRs) ?

(5 marks)

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