

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) Cumulative convertible preference shares are not hybrid instruments.
- ✓ (ii) Equity linked saving schemes have lock-in-period of five years.
- ✓ (iii) A depository is an organisation like Reserve Bank of India.
- ✓ (iv) In basket trading system, investor buys or sells all the fifty scrips in one go.
- ✓ (v) Hedge funds employ their funds for speculative trading.

(2 marks each)

(b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :

- ✓ (i) Direct and indirect control of virtually all aspects of securities trading is provided by _____.
- (ii) Tracking stock is a type of common stock that 'tracks' depending on _____.
- ✓ (iii) CAMEL model encompasses _____.
- ✓ (iv) As per SEBI regulations, capital adequacy requirement for merchant banker shall be a net-worth of not less than Rs. _____.
- ✓ (v) _____ are imposed on the scrip which witness abnormal price/volume movements.

(1 mark each)

2. (a) Write short notes on the following :

- (i) Corporate restructuring
- (ii) Trade to trade
- (iii) Margin trading
- (iv) Securities Appellate Tribunal.

(2 marks each)

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(b) Expand the following abbreviations:

- (i) DVP
- (ii) EDIFAR
- (iii) OMO.

(1 mark each)

(c) What are the 'real estate mutual fund' schemes ? Explain their features.

(4 marks)

3. (a) Explain **any two** of the following terms in relation to securities reforms and developments in our country :

- (i) Corporate governance
- (ii) Financial disclosures
- (iii) Rolling settlement.

(3 marks each)

(b) Write a note on 'treasury bills'.

(5 marks)

(c) Explain briefly the following :

- (i) BOLT
- (ii) NEAT.

(2 marks each)

4. (a) Distinguish between **any two** of the following :

- (i) 'Naked debentures' and 'secured debentures'.
- (ii) 'Industrial revenue bonds' and 'commodity bonds'.
- (iii) 'Indexed rate notes' and 'extendable notes'.

(3 marks each)

(b) Describe briefly the risks involved in mutual funds.

(4 marks)

(c) What do you mean by 'dematerialisation of securities' ? State its benefits.

(5 marks)

5. (a) Discuss the various functions of 'price monitoring'.

(5 marks)

(b) State the procedure for buy-back of securities through stock exchange.

(5 marks)

(c) Discuss the norms for registration of portfolio managers with the Securities and Exchange Board of India (SEBI).

(5 marks)

PART—B

(Answer ANY TWO questions from this part.)

6. (a) Explain the meaning of **any two** of the following in the context of international capital market :

- (i) Domestic custodian bank
- (ii) Global depository receipts.
- (iii) Overseas depository bank.

(3 marks each)

- (b) What are the conditions for 'voluntary delisting of securities' ?

(4 marks)

- (c) "In issuance of GDRs/FCCBs, pre-marketing exercise is a tool through which the syndicate members evaluate the prospects of the issue." Comment.

(5 marks)

- (d) Who can access 'external commercial borrowings' (ECBs) under automatic route as per Reserve Bank of India ?

(5 marks)

7. (a) Discuss briefly the provisions of the SEBI (Prohibition of Fraudulent and Unfair Practices Relating to Securities Market) Regulations, 1995 related to —

- ✓(i) Misleading statements;
- (ii) Market manipulations;
- ✓(iii) Dealings in securities; and
- ✓(iv) Prohibition on certain dealings in securities.

(10 marks)

- (b) What are the common grievances of investors in India ? State the authorities which can be approached by an investor for redressal of these grievances.

(10 marks)

8. Attempt **any four** of the following :

- (i) "PAN has to be the sole identifier number for all transactions in the securities market." Comment.

(5 marks)

- (ii) State the activities stipulated under the Investor Education and Protection Fund / (Awareness and Protection of Investors) Rules, 2001. (5 marks)
- (iii) Explain the regulatory framework of debt market in India. (5 marks)
- (iv) What is the lock-in-period requirement for promoters' contribution ? (5 marks)
- (v) What are the rights of securities-holders in case of compulsory delisting of securities ? (5 marks)

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