

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

NOTE : Answer SIX questions including Question No.1 which is compulsory.

1. Write notes on any four of the following :

- (i) Green shoe option
- (ii) Proportionate allotment
- (iii) Securities audit
- (iv) Index futures
- (v) Private equity fund.

(5 marks each)

2. (a) Safal Mutual Fund provides the following information related to one of its schemes :

Size of the scheme : Rs.2,000 crore.

Face value of the units : Rs.10 per unit.

Number of outstanding units : 200 crore.

Market value of funds' portfolio : Rs.4,200 crore.

Receivables : Rs.100 crore.

Accrued income : Rs.100 crore.

Liabilities : Rs.150 crore.

Accrued expenses : Rs.275 crore.

You are required to calculate net asset value (NAV) of the scheme and rate of return if a unitholder has purchased units at the NAV of Rs.15 per unit and received a dividend of Rs.2 per unit during the period.

(6 marks)

(b) Expand *any four* of the following :

- (i) A L B M
- (ii) ICSEI
- (iii) NSEIL
- (iv) A M C
- (v) R O C
- (vi) ESOP.

(1 mark each)

(c) Distinguish between *any three* of the following :

- (i) 'Depository' and 'custodian'.
- (ii) 'Money market' and 'capital market'.
- (iii) 'Commercial bill' and 'commercial paper'.
- (iv) 'American option' and 'European option'.

(2 marks each)

3. (a) Define 'par value of shares'. Explain the terms and conditions related to denomination of the shares.

(4 marks)

(b) Define *any four* of the following terms related to securities market :

- (i) Demat trading
- (ii) Floor trading
- (iii) Stop loss
- (iv) Derivatives trading
- (v) Clearing.

(1 mark each)

(c) What is 'audit committee' ? Prepare a Board note explaining the provisions of clause 49 of the listing agreement related to audit committees.

(8 marks)

4. (a) Explain any *four* of the following credit rating symbols and indicate against each name of the concerned rating agencies :
- (i) AAA
 - (ii) PR 4
 - (iii) DA 5
 - (iv) CS 3
 - (v) PL 4
- (1 mark each)
- (b) List out the consequences of violation of listing agreement.
- (4 marks)
- (c) State briefly the role of any *four* of the following agencies involved in the euro-issue :
- (i) Auditors
 - (ii) Overseas depository banks
 - (iii) Legal advisors
 - (iv) Domestic custodian banks
 - (v) Lead managers.
- (1 mark each)
- (d) State the penal provisions for merchant bankers upon violation of SEBI norms on issue of securities.
- (4 marks)
5. (a) Comment on changing scenario of the Indian financial system during the post-liberalisation period.
- (b) You are the Company Secretary of Fellow Systems Ltd., a listed company. Your managing director wants you to prepare a Board note on the requirements for a rights issue of shares. Briefly outline the various requirements of the SEBI guidelines for the rights issue and list out the major steps involved in the rights issue.

(8 marks each)

6. (a) Discuss the norms for entry of non-banking finance companies (NBFCs) into insurance business.
- (b) What is the role and importance of stock market index in the Indian capital market ?
- (c) State the regulatory measures to promote investors' confidence in the Indian capital market.
- (d) What is 'placement memorandum' ? List out its essential contents.

(4 marks each)

7. (a) "Treasury bill is a powerful instrument in the money market." Do you agree ? Comment.

(4 marks)

- (b) Explain briefly the investment criteria for a foreign venture capital investor.

(4 marks)

- (c) What is the concept of 'takeover' ? Explain briefly the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 related to takeover of control and management of a listed company.

(8 marks)

8. (a) What is 'insider trading' ? Explain the term 'relative' in the context of insider trading.
- (b) Define 'independent director'. What are the provisions in clause 49 of the listing agreement related to independence of a director ?
- (c) What is meant by 'demutualisation of stock exchanges' ?
- (d) Discuss the duties of a 'compliance officer' in a listed company.

(4 marks each)