

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 4

NOTE : Answer **ALL** Questions.

PART – A

1. Attempt the following and support your answer with necessary reasons :

- (a) Aishwarya Ltd. proposes to issue 10,00,000 share warrants to its promoters. The share warrants give an option to buy shares at a predetermined price. From the following share price data, identify the price at which share warrants should be issued and the amount payable by the promoters at the time of allotment :
- (i) Closing price in the market on the relevant date : ₹340
- (ii) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date : ₹354
- (iii) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date : ₹350.
- (b) Priyanka Ltd. is planning to come out with an IPO. For this purpose, it has obtained IPO grading from three agencies, which are : IPO-3, IPO-4 and IPO-5. Explain the meaning of IPO grading. Advise which IPO grading should be reported by the company in its prospectus.
- (c) A company is planning to place privately 10 years, 11.50% debentures. Most of such debentures would be issued to a venture capitalist who is looking for an exit route. Write a brief note advising the company as to how it can proceed for listing of such debentures on a recognised stock exchange.

(5 marks each)

Attempt all parts of either Q.No. 2 or Q.No. 2A

2. (a) What do you understand by 'registrar to an issue' ? State various activities carried out by the registrar to an issue. (5 marks)
- (b) Discuss the restrictions put by SEBI on the business activities of a collective investment management company (CIMC). (5 marks)
- (c) What do you mean by SME Exchange ? Discuss the role of Company Secretary in the model listing agreement laid down by SEBI for SMEs for the purpose of listing. (5 marks)

OR (Alternate question to Q.No. 2)

- 2A. (i) Distinguish between the following :
- (a) 'Pure instruments' and 'hybrid instruments'.
(b) 'Book closure' and 'record date'.
(c) 'Hedge funds' and 'leverage funds'. (3 marks each)
- (ii) Explain briefly the following :
- (a) Mezzanine financing
(b) Social venture funds. (3 marks each)
3. (a) "STRIPs in government securities will ensure availability of sovereign zero coupon bonds, which will lead to the development of a market determined zero coupon yield curve (ZCYC)." In the light of this statement, explain the role of STRIP bonds in debt market. (4 marks)
- (b) Discuss the steps involved in the process of factoring. (5 marks)

: 3 :

- (c) The SEBI in its guidelines related to restrictions on investments by mutual funds prescribes that the investment in equity shares or equity related securities of a single company must not exceed 10% of the net assets of the scheme. A particular mutual fund had repeatedly exceeded this permissible limit through its associate broker. The Adjudicating Officer (AO) concerned imposed a penalty. The mutual fund approached the court and pleaded that the limit was not exceeded intentionally and hence, it should not be penalised for such unintentional deed. As per the provisions of the Securities and Exchange Board of India Act, 1992 and decided case laws, suggest whether the court should set aside AO's order *inter alia* on the ground that the limit was not exceeded intentionally.

(6 marks)

4. (a) What do you understand by infrastructure debt fund scheme ? Discuss the eligibility criteria required to be fulfilled by a mutual fund for launching such a scheme.
- (b) Discuss briefly the various categories of alternative investment fund (AIF).
- (c) "Roadshows are in fact, a conference by the issuer company with the potential/future/prospective investors." Elucidate.

(5 marks)

(5 marks)

(5 marks)

PART – B

5. Comment on the following statements :
- (a) Book-building process of determining price of a public issue is preferred in case of initial public offer (IPO) while fixed price process is used for further public offer (FPO).
- (b) Investor Education and Protection Fund (IEPF) is set-up only for educating investors.
- (c) The option to participate in ESOP/ESPS scheme is not open for all employees of the company.
- (d) A company cannot offer shares at different prices to different sets of people in a particular public issue.
- (e) Every institutional buyer is a qualified institutional buyer (QIB).

(4 marks each)

Attempt all parts of either Q.No. 6 or Q.No. 6A

6. (a) Insider trading normally means trading in shares of a company by the persons who are in the management of the company or close to them on the basis of price sensitive information which they possess but others not. In the light of this, state whether the following information is price sensitive :
- (i) The CEO of a company met with an accident and had been hospitalised.
 - (ii) Intended declaration of rights issue in near future.
 - (iii) RBI has increased repo rate by 25 basis points.
 - (iv) The company is going to have another plant at Rudrapur, Uttarakhand.
 - (v) The Chairman of the company has submitted his resignation to the Board under protest for selling a particular brand to another company.
- (5 marks)*
- (b) What is SCORES ? Discuss the salient features of SCORES.
- (5 marks)*
- (c) Briefly explain the provisions relating to continuous listing requirements as enshrined under the Securities Contracts (Regulation) Rules, 1957.
- (5 marks)*
- (d) What disclosures, as prescribed by the SEBI, are to be made by an acquirer while acquiring the shares of another company ?
- (5 marks)*

OR (Alternate question to Q.No. 6)

6A. Write notes on the following :

- (i) Powers of Securities Appellate Tribunal (SAT)
- (ii) Concurrent audit of depository participants
- (iii) Different methods of raising funds by a company from primary market
- (iv) Draft offer document
- (v) Internal audit of portfolio manager.

(4 marks each)