

# Securities Laws and Compliances

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 :
- The securities market works in a vacuum.
  - Venture capital pools are similar to hedge funds.
  - Demutualisation aims to convert a stock exchange from 'not for profit' to 'for profit' company.
  - Credit rating establishes a link between risk and return.
  - A director nominated by an institution as its representative on the Board of directors is eligible to participate in ESOS.
- (2 marks each)
- (b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- The market wherein companies mobilise resources through issue of securities is called \_\_\_\_\_.
  - Commercial bills are \_\_\_\_\_ accepted by buyers for goods or services obtained by them on credit.
  - A listed company is required to appoint a \_\_\_\_\_ to liaise with SEBI and stock exchanges.
  - In order to strengthen know your client (KYC) norms in the cash market and to generate a reliable audit trail, \_\_\_\_\_ was made mandatory for all transactions in cash market.
  - Revised carry forward system is introduced in place of \_\_\_\_\_.

(1 mark each)

2. (a) Write short notes on **any two** of the following :
- (i) Spot delivery contract
  - (ii) 'Futures' and 'options'
  - (iii) Depository participants.
- (3 marks each)*
- (b) Expand the following abbreviations :
- (i) STP
  - (ii) QIBs
  - (iii) UIN
  - (iv) IPA
  - (v) TFTS
  - (vi) NSDL.
- (3 marks)*
- (c) Explain **any three** of the following financial instruments :
- (i) Commercial paper
  - (ii) Secured premium notes
  - (iii) Naked debentures
  - (iv) Dual convertible bonds.
- (2 marks each)*
3. (a) Explain the implications of stamp duty on buy-back of shares by a company from shareholders.
- (4 marks)*
- (b) "Securities market enhances the pace of economic growth." Discuss.
- (5 marks)*
- (c) Explain **any three** of the following terms associated with the capital market :
- (i) Incubators
  - (ii) Private equity players
  - (iii) Trade to trade
  - (iv) Dematerialisation.

*(2 marks each)*

: 3 :

4. (a) Explain briefly the code of conduct for merchant bankers prescribed under SEBI Regulations.  
(5 marks)
- (b) “Reserve Bank of India is the main regulator of money market in India.” Comment.  
(5 marks)
- (c) Discuss the accounting policies and standards which are to be mandatorily followed by the asset management companies.  
(5 marks)
5. (a) Distinguish between *any three* of the following :
- (i) ‘Capital market’ and ‘money market’.
  - (ii) ‘Pass through certificates’ and ‘participation certificates’.
  - (iii) ‘Fixed coupon rate’ and ‘floating coupon rate’.
  - (iv) ‘Open ended schemes’ and ‘close ended schemes’.
- (3 marks each)
- (b) State any six important clauses of listing agreement.  
(6 marks)

**PART — B**

(Answer ANY TWO questions from this part.)

6. (a) Discuss briefly the following methods of raising funds from the primary capital market :
- (i) Public issue
  - (ii) Rights issue
  - (iii) Preferential issue
  - (iv) Private placement
  - (v) Qualified institutional placement (QIP).
- (3 marks each)
- (b) Discuss how the debt market and its instruments help the companies in raising funds.  
(5 marks)

7. (a) Explain the concept of ASBA in an IPO. (5 marks)
- (b) What do you understand by external commercial borrowings (ECBs) ? Discuss the types of ECBs under the automatic route. (5 marks)
- (c) List out some common grievances of investors. (5 marks)
- (d) What are the criteria for compulsory delisting by stock exchanges ? (5 marks)
8. Write notes on **any five** of the following :
- (i) Promoters' contribution
  - (ii) Ombudsman
  - (iii) Investor Education and Protection Fund (IEPF)
  - (iv) Basis of allotment
  - (v) Overseas custodian bank
  - (vi) Indian depository receipts (IDRs).
- (4 marks each)