PART – A

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

I. (a) State, with reasons in brief, whether the following statements are true or false:
   (i) Euro-convertible bonds are usually issued as secured obligation of the borrower.
   (ii) Market making facility is mandatory to provide liquidity.
   (iii) Stock Exchange is a self regulatory organisation recognised by SEBI.
   (iv) A co-operative society can offer a collective investment scheme.
   (v) Consent order means an order settling administrative or civil proceedings.

   (2 marks each)

(b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s):
   (i) Zero coupon bonds are issued at a discount to face value and redeemed at __________.
   (ii) Money at short notice has a maturity period of not exceeding __________ days.
   (iii) A petro bond is issued to share the risk and profitability of __________ prices.
   (iv) Automated screen based trading of shares on stock exchanges has resulted into __________.
   (v) All securities held in depositories shall be in __________ form.

   (1 mark each)
2. (a) Distinguish between the following. Attempt any three:
   (i) 'Floating rate bond' and 'capital indexed bond'.
   (ii) 'Merchant banker' and 'portfolio manager'.
   (iii) 'Listed securities' and 'permitted securities'.
   (iv) 'Buy-back through stock exchange' and 'buy-back through book building'.

   (4 marks each)

(b) Expand the following abbreviations with reference to securities laws:
   (i) SRO
   (ii) IPEF
   (iii) NDTL.

   (1 mark each)

3. (a) How does margin trading help in curbing speculative trading?

   (8 marks)

(b) What is 'buy-back of securities'? Discuss the various permissible methods of buy-back of securities by a listed company.

   (7 marks)

4. (a) What do you understand by 'treasury bills'? What are the benefits of treasury bills to the investors?

   (6 marks)

(b) Write short notes on the following. Attempt any three:
   (i) Global depository receipts
   (ii) Sweat equity shares
   (iii) Angel investors
   (iv) Money market mutual funds.

   (3 marks each)
5. (a) What do you understand by 'suspicious transaction report'? Explain in brief various categories of suspicions.

(5 marks)

(b) "The depository system works very much like a banking system." Discuss.

(5 marks)

(c) "A well functioning securities market is conducive to sustained economic growth." Comment.

(5 marks)

**PART – B**

*(Answer ANY TWO questions from this part.)*

6. Explain the following statements:

(i) IPO grading aims at facilitating assessment of the issue offered to public.

(ii) Roadshow is essential step in a Euro issue.

(iii) Investors in securities market do have some responsibilities.

(iv) The issuers can make fast track issues in the capital market.

(v) Fixed price issues are different from book building.

(4 marks each)

7. (a) What are 'debt securities'? List out the material disclosures required to be made in the offer document for debt securities.

(5 marks)

(b) Discuss briefly the legal framework for investor protection in India.

(5 marks)

(c) What is 'proportionate allotment' in case of over-subscription of a public issue?

(5 marks)

(d) Discuss briefly the requirements for bidding in a book building issue.

(5 marks)
8. Explain the following terms associated with public offering of securities. Attempt *any five*:
   (i) Conditions for issue of IDR
   (ii) Overseas custodian bank
   (iii) ASBA-public issue process
   (iv) Offering circular
   (v) Common investor grievances
   (vi) Obligations of debenture trustees.

   *(4 marks each)*