

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. (a) State, with reasons in brief, whether the following statements are correct or incorrect :
- (i) Stock exchanges in India can be set-up in the form of a company only.
 - (ii) Futures are the primary securities.
 - (iii) SEBI can restrain any person from accessing the securities market.
 - (iv) Capital market includes money market and securities market.
 - (v) Venture capital fund may invite offers from the public for subscription or purchase of its units.
- (2 marks each)
- (b) Re-write the following sentences after filling-in the blank spaces with appropriate words(s)/figure(s) :
- (i) Protection of investors' interest is the duty of _____.
 - (ii) An appeal against the orders of the SEBI lies with _____.
 - (iii) An instrument issued in the form of promissory note in the money market is called _____.
 - (iv) Lead manager is an important player of the _____ market.
 - (v) Debentures which are transferable by mere delivery are known as _____.
- (1 mark each)
- (c) Choose the most appropriate answer from the given options in respect of the following :
- (i) Accounting Standards are framed in India by the –
 - (a) ICSI
 - (b) M C A
 - (c) ICAI
 - (d) SEBI.
 - (ii) Out of the following, which is not a credit rating agency in India –
 - (a) ICRA
 - (b) CARE
 - (c) CRISIL
 - (d) CRA.

- (iii) The maximum amount that can be raised by an eligible borrower through external commercial borrowings (ECBs) under automatic route is –
- (a) US\$ 20 million
 - (b) US\$ 200 million
 - (c) US\$ 500 million
 - (d) US\$ 1,000 million.
- (iv) Out of the following, which legislation does not relate to securities market –
- (a) The Securities Contracts (Regulation) Act, 1956
 - (b) The Companies Act, 1956
 - (c) The Securities and Exchange Board of India Act, 1992
 - (d) The Forward Contracts (Regulation) Act, 1952.
- (v) The book containing bids in a book-building process is maintained by –
- (a) Merchant banker
 - (b) Book runner lead manager
 - (c) SEBI
 - (d) Stock exchange.

(1 mark each)

2. (a) Write short notes on **any four** of the following :

- (i) SMILE Task Force
- (ii) Tracking stocks
- (iii) Employee stock options
- (iv) External commercial borrowings
- (v) Mortgage backed securities.

(2 marks each)

- (b) Expand the following abbreviations :

- (i) T W S
- (ii) G E T F
- (iii) O M O
- (iv) S E F T .

(1 mark each)

- (c) Briefly list eight major compliances under the listing agreement with regard to investor protection.

(4 marks)

3. (a) Explain the role of securities market in the economic growth of a country.

(4 marks)

- (b) Discuss the main guidelines on anti-money laundering measures. (4 marks)
- (c) What is 'bidding' in a book-building process ? Explain. (4 marks)
- (d) Explain briefly **any two** of the following :
- (i) Credit rating of securities
 - (ii) Venture capital
 - (iii) IPO grading.
- (2 marks each)
4. (a) Enumerate the various powers of the Central Government under the Securities and Exchange Board of India Act, 1992. (4 marks)
- (b) Write a note on internal audit of 'depository participants'. (4 marks)
- (c) Prepare a check-list for takeover of an existing listed company in India. (8 marks)
5. (a) Explain the main features of the following :
- (i) Fully convertible debentures
 - (ii) Capital indexed bonds
 - (iii) Commodity bonds
 - (iv) Sweat equity shares.
- (2 marks each)
- (b) What is 'non-banking finance company' (NBFC) ? State the guidelines relating to investment norms for such companies. (4 marks)
- (c) Explain the role of self-regulatory organisations in decentralised regulation of securities market. (4 marks)
6. (a) Distinguish between the following :
- (i) 'Book closure' and 'record date'.
 - (ii) 'Declaration of solvency' and 'submission of tender offer'.
 - (iii) 'Immobilisation' and 'dematerialisation'.
 - (iv) 'Public issue' and 'rights issue'.
- (2 marks each)

- (b) "Compulsory delisting affects the rights of securities-holders." Comment.
(4 marks)
- (c) Explain the functions of custodian of securities.
(4 marks)
7. (a) Describe the role of 'stabilising agent' in a green shoe option.
(4 marks)
- (b) Discuss the merits of 'basket trading system'.
(4 marks)
- (c) "Straight through processing (STP) brings efficiency, non-duplication and automation in securities market." Comment.
(4 marks)
- (d) Write a note on 'money market in India'.
(4 marks)
8. (a) Explain briefly the procedure for making an appeal before Securities Appellate Tribunal (SAT).
(8 marks)
- (b) Distinguish between the 'global depository receipts' (GDRs) and 'Indian depository receipts' (IDRs).
(4 marks)
- (c) What are the advantages and disadvantages of 'exchange traded funds' (ETFs) ?
(4 marks)

-- o --