PART – A

1. (a) Jai Ltd. announced issue of bonus shares in the ratio of 1:3 (i.e., one share for every three shares held). At present the face value of share is ₹10, current market price is ₹621. In addition, it announced split of shares by reducing the face value from ₹10 to ₹2. Calculate the share price if all other things remain constant. What would have been the situation if split would have been done before the issue of bonus shares?

(b) Somnath Ltd. has a share capital of 50,000 equity shares of ₹100 each. Market value is ₹250 per share. The company decides to make a rights issue to the existing shareholders in proportion of one new rights share of ₹100 at a premium of ₹30 per share for every 5 shares held. Calculate the value of rights.

(c) What is SME exchange? Explain the benefits of listing on SME exchange.

2. Explain the following:
   (a) Primary market is of great significance to the economy of a country.
   (b) Credit rating is useful to both investors and issuers.
   (c) Stock market indices are the barometers of stock markets.
   (d) Participants in the money market.
   (e) Venture capital funds invest in all types of securities.
OR (Alternate question to Q.No. 2)

2A. (i) In capital market, a trustee is having a number of rights and obligations. Is it correct? Describe the rights and obligations of a trustee. (6 marks)

(ii) Is there any advertisement code for mutual funds? Comment. (6 marks)

(iii) What do you understand by alternative investment fund? How they are different from mutual funds? (3 marks)

3. (a) The debt market in India comprises mainly of two segments, i.e., the government securities market and corporate securities market. Discuss in brief. (5 marks)

(b) Explain briefly the roles and responsibilities of 'Registrar to an issue' in an initial public offer (IPO). (5 marks)

(c) Discuss the mechanism of securities lending and borrowing (SLB) schemes. (5 marks)

4. (a) Distinguish between the following:
   (i) 'Hybrid funds' and 'hybrid instruments'.
   (ii) 'FCCB' and 'FCEB'.
   (iii) 'Benchmarked instruments' and 'pure instruments'. (2 marks each)

(b) Explain briefly the following:
   (i) Indian depository receipts
   (ii) Share warrants
   (iii) Futures and options. (3 marks each)
PART – B

5. (a) "SCORES is an organisation to measure the performance of limited companies.” Comment.

(b) Nikhil Ltd., a listed company is confused about the composition of Board of directors, seeks your advice regarding the composition of Board of directors as per clause 49(II)(A) of the Listing Agreement. As a Company Secretary of Nikhil Ltd., offer your suggestions by highlighting the clause.

(c) Whether fast track issue can be proceeded just like an IPO or, are there any other conditions to fast track issue? Explain.

6. Comment on the following:

(a) The Securities and Exchange Board of India Act, 1992 provides for prohibition of manipulative and deceptive devices, and insider trading.

(b) A company cannot offer its shares at different prices to different sets of people in a particular public issue.

(c) 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).

(d) Investor education and protection fund (IEPF) is set-up only for educating investors.

At least one part of either Q.No. 6 or Q.No. 6A must be attempted.

(5 marks each)
6A. Write notes on the following:
   (i) Internal audit of stock brokers
   (ii) Investment adviser
   (iii) Immobilisation and dematerialisation
   (iv) Employee stock option scheme (ESOS)
   (v) Escrow account.

   (4 marks each)