

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. (a) Distinguish between 'open ended mutual fund' and 'close ended mutual fund'.
(4 marks)
- (b) As on 1st April, 2016, Russel Ltd. has surplus cash for six months. It has following two options under consideration for investing the surplus cash :
- (i) To invest in fixed deposit at an interest rate of 8% per annum payable quarterly;
or
- (ii) To buy treasury bills of the face value of ₹100 at ₹98.019 maturing after six months.
- Presuming that the risk involved in both the options is identical, state with reasons as to which option should be selected by the company for investing its surplus funds.
(4 marks)
- (c) Compute NAV and rate of return for a unit holder who bought a unit at ₹17.60 and received a dividend of ₹2 per unit during the period. Face value of the unit is ₹10. Other details are as under :

	₹ (in crore)
Market value of funds portfolio	4,200
Size of the scheme	2,000
Accrued income	100
Receivables	100
Accrued expenses	275
Liabilities	150
Number of outstanding units : 200 crore.	

(4 marks)

: 2 :

- (d) Following information has been collected regarding Share–X trading at NSE on 2nd September, 2016 :

<i>Date</i>	<i>Time</i>	<i>Price (₹)</i>	<i>No. of shares traded</i>
2 nd September, 2016	14:42:10	265.60	550
2 nd September, 2016	14:53:35	262.78	1,575
2 nd September, 2016	15:00:20	260.99	1,514
2 nd September, 2016	15:03:30	261.79	1,625
2 nd September, 2016	15:05:40	260.38	1,025
2 nd September, 2016	15:12:20	261.51	1,390
2 nd September, 2016	15:21:25	261.42	800
2 nd September, 2016	15:22:20	264.07	600
2 nd September, 2016	15:26:55	263.74	1,200

You are required to determine the closing price and last traded price for Share–X for 2nd September, 2016.

(3 marks)

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

2. (a) "Not only Indian companies are going abroad to raise funds, foreign companies are also coming to India to raise funds." Name the instrument(s) through which a foreign company can raise funds in India by issuing its own equity shares. Also, state the eligibility and conditions for the issue of such instrument(s) in India.

(8 marks)

- (b) "High speed of algorithmic trading may damage the structure and health of a stock market. Therefore, it is to be controlled and monitored." In the light of this statement, describe the SEBI guidelines for algorithmic trading.

(7 marks)

OR (Alternate question to Q.No. 2)

- 2A. (i) "It is not ethical for an issuer of a security to charge different prices for same security from different bidders in a competitive bid." Do you agree ? In the light of this statement, distinguish between 'Dutch auction' and 'French auction'.

(5 marks)

: 3 :

- (ii) What do you mean by foreign currency convertible bonds (FCCBs) ? State the benefits of FCCBs to investors and the issuer.
(5 marks)
- (iii) "Trends in the stock market get strength from the volume." Comment on the statement highlighting relation between trends and volume in a stock market.
(5 marks)
3. (a) What is a Real Estate Investment Trust (REIT) ? What are the eligibility criteria for granting a certificate to an applicant to act as REIT as per SEBI guidelines in this regard ?
(8 marks)
- (b) What are the restrictions imposed on business activities for collective investment management companies ?
(7 marks)
4. (a) Distinguish between the following :
- (i) 'Rating of manufacturing companies' and 'rating of financial services companies'.
 - (ii) 'Primary dealers' and 'corporate treasury'.
 - (iii) 'Venture capital fund' and 'social venture fund'.
- (3 marks each)
- (b) Explain briefly the following :
- (i) Tracking stock
 - (ii) Rolling settlement.
- (3 marks each)

PART – B

5. (a) Comment on the following :
- (i) Indian companies unlisted in India can go for listing in a foreign stock exchange.
 - (ii) Regulation 10 of the Takeover Code provides automatic exemption from the applicability of making open offer.
 - (iii) For the purpose of issue of bonus shares, the reserves created by revaluation of fixed assets shall not be capitalised.
 - (iv) A competitive bid is an offer made by a person other than the acquirer who has made the first public announcement.
 - (v) Enterprise value means value of a company which is equal to the market capitalisation *plus* value of debt in the company.
- (2 marks each)

: 4 :

(b) You are the Company Secretary of Vision Ltd., whose shares were listed at Delhi Stock Exchange. The stock exchange delists the shares of the company. Advise the company regarding the remedy available keeping in view the provisions of the Securities Contracts (Regulation) Act, 1956.

(6 marks)

(c) Can a company issue shares at differential price in a public issue ? If yes, to whom and under what circumstances the shares can be issued at differential price ?

(4 marks)

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

6. (a) As a Company Secretary of Lucky Ltd., prepare a Board note giving various requirements of SEBI guidelines for rights issue and enumerate the various major steps involved in such an issue.

(8 marks)

(b) Write short notes on the following :

(i) Acquirer in the Takeover Code

(ii) Confidentiality of request under SEBI (Informal Guidance) Scheme, 2003.

(3 marks each)

(c) Define the following :

(i) Fast track issue

(ii) Green shoe option.

(3 marks each)

OR (Alternate question to Q.No. 6)

6A. (i) Fortune Ltd. is a registered stock broker of the Bombay Stock Exchange. SEBI levied a penalty of ₹2 crore on the company for violation of the provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003. Fortune Ltd. is contemplating to challenge the SEBI's order before the Securities Appellate Tribunal (SAT) in an appeal. Explain the procedure for making an appeal before the SAT.

(8 marks)

(ii) Write notes on the following :

(a) Different types of listing

(b) Person deemed to be connected person

(c) Obligations of a debenture trustee.

(4 marks each)

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