

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 :
- (i) Every stock broker is required to appoint a compliance officer.
  - (ii) Dated securities are fixed maturity and fixed coupon securities.
  - (iii) Foreign venture capital investor means an investor incorporated and established in India.
  - (iv) Depository is required to frame its bye laws.
  - (v) The money market is a wholesale market.
- (2 marks each)*
- (b) Re-write the following sentences after filling-in the blank spaces with appropriate words(s)/figure(s) :
- (i) Money at call is \_\_\_\_\_ money.
  - (ii) \_\_\_\_\_ in capital market has always been high on the agenda of SEBI.
  - (iii) Buy-back of securities is a corporate financial strategy which involves \_\_\_\_\_.
  - (iv) To eliminate counter party risks, SEBI has advised \_\_\_\_\_ to set-up either trade guarantee fund or settlement guarantee fund.
  - (v) Automated screen based trading of shares on stock exchanges has resulted into \_\_\_\_\_.
- (1 mark each)*
2. (a) What do you understand by 'participatory notes' ? Briefly explain the disadvantages associated with the issuance of participatory notes.

*(5 marks)*

(b) Distinguish between *any three* of the following :

- (i) 'Perpetual debenture' and 'bearer debenture'.
- (ii) 'Cut-off yield' and 'cut-off price'.
- (iii) 'Straight through processing' (STP) and 'direct market access' (DMA).
- (iv) 'Forward' and 'futures'.

(2 marks each)

(c) Explain the following terms related to capital market :

- (i) Cash transaction report
- (ii) Suspicious transaction report.

(2 marks each)

3. (a) Write short notes on the following :

- (i) Venture capital funds
- (ii) Offshore hedge funds
- (iii) Derivatives' contracts
- (iv) Collective investment schemes.

(2 marks each)

(b) Expand the following abbreviations :

- (i) SMILE
- (ii) NDTL
- (iii) CFDS.

(1 mark each)

(c) Discuss briefly the different surveillance systems adopted by stock exchanges.

(4 marks)

4. (a) Explain the following terms related to buy-back of securities :

- (i) Letter of offer
- (ii) Specified date.

(2 marks each)

(b) List out various money market instruments.

(5 marks)

(c) What is 'short selling' ? Discuss the mechanism of securities lending and borrowing scheme (SLBS).

(6 marks)

5. (a) Explain briefly the various factors for judging the efficiency of mutual funds. (4 marks)
- (b) Discuss briefly the obligations and responsibilities of bankers to an issue. (5 marks)
- (c) What is Securities Appellate Tribunal (SAT) ? Explain the procedure for appeal to SAT. (6 marks)

**PART – B**

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

6. (a) What is 'parking' of external commercial borrowings (ECB) proceeds ? (5 marks)
- (b) What are the conditions for issue of Indian Depository Receipts (IDRs) ? (5 marks)
- (c) Briefly explain the following terms related to public issue :
- (i) Pre-issue advertisement
  - (ii) Anchor investor
  - (iii) Green shoe option
  - (iv) IPO grading
  - (v) Book building.
- (2 marks each)
7. (a) Who is an Ombudsman in stock market operations ? Discuss his role in investors' protection. (6 marks)
- (b) List the approvals required for resource mobilisation by a company in the international capital market. (7 marks)
- (c) Discuss briefly the steps involved in the issue of bonus shares by a listed company. (7 marks)

8. Write notes on *any five* of the following :

- (i) Self certified syndicate bank
- (ii) Debt securities
- (iii) Depository agreement
- (iv) Employee stock option
- (v) Fixed income products
- (vi) Fast track issues.

(4 marks each)

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