

Fun. of Equity Mkt.

3-5-18

Q.P. Code : 35418

(2½ Hours)

(Total Marks : 75)



- N.B.: 1) All questions are **compulsory**, Subject to **internal choice**.
2) **Figures** to the right indicate **full marks**.

1. A) Choose the correct alternative (Any 8) :

08

- 1) _____ are securities that are a claim on the earning and the assets of a corporation.
(a. Stock b. New issue c. Equity d. Debentures)
- 2) _____ introduced the screen based trading and settlement system.
(a. BSE b. NSE c. OTC d. NEAT)
- 3) _____ is the largest stock exchange in world.
(a. BSE b. NYSE c. NSF d. Shanghai stock exchange)
- 4) _____ act as intermediaries in purchase and sale of securities in the primary and secondary markets.
(a. Underwriters b. Merchant Banker c. Broker d. Factoring)
- 5) A _____ is when a company issues its existing shareholders a right to buy additional shares in the company.
(a. Right issue b. Sweat equity c. ESOP d. Book building)
- 6) Stock exchanges are regulated by _____.
(a. SEBI b. RBI c. AMFI d. NSE)
- 7) _____ are those investors or the brokers who believe that the share is going to be upward trend in future.
(a. Bulls b. Bear c. Stags d. Jobber)
- 8) Securities Contracts (Regulation) Act came into existence in year _____.
(a. 1955 b. 1956 c. 1957 d. 1960)
- 9) _____ is a prospectus, which does not have details of the price or number of shares being offered, or the amount of the issue.
(a. Red herring prospectus b. Sweat Equity c. Abridged Prospectus)
- 10) _____ drafted between the issuing company and the investment bank which spells out the terms and condition by which the issuing company and underwriter will conduct the IPO.
(a. Letter of Credit b. Prospectus c. Letter of Intent d. Letter of Appointment)

1. B) True or False (Any 7) :

07

- 1) Investor's interest is much protected by the stock exchange.
- 2) Secondary market deals with listed securities.
- 3) The entire pre-issue share capital, other than locked in as promoter's contribution, shall be locked in for a period of one year.
- 4) The BSE SENSEX is value-weighted index composed of 30 stocks.
- 5) IPO of a bank is ultimately regulated by Reserve Bank of India.

TURN OVER

- 6) Equity holder is the creditor of the company.
- 7) Primary market cannot function without secondary market.
- 8) NASDAQ the second largest stock exchange in the world is located in UK.
- 9) FMC, the erstwhile commodities regulator has now amalgamated with SEBI.
- 10) Deutsche Borse is the stock exchange headquartered in Frankfurt.

2. A) Explain the term IPO and state its process. 08

B) What are equity share? State in details merits and demerits of equity shares. 07

OR

C) In today's Corporate World; Management has been separated from ownership – Discuss 08

D) Explain the term Primary Markets and state its features. 07

3. A) Explain in detail the Role of Merchant banker in Public in detail. 08

B) Explain the term 'Green shoe Option' 07

OR

C) State different methods of floating New Equity shares in the Primary Market. 08

D) Distinguish between ESOP and Sweat Equity 07

4. A) Explain in brief the clearing and settlement procedure in stock market. 08

B) What is secondary market? State its features. 07

OR

C) Explain in detail the functions of stock exchange. 15

5. A) What are the SEBI ICDR guidelines for listing of shares and debentures? 15

OR

B) Write Short Notes (Any 3) : 15

- a) OTCEI
- b) NIFTY
- c) Price fixing in book building
- d) Buyback of shares
- e) Delisting of shares