

Maximum Marks: 75

Duration: 2 Hours & 30 Minutes

- Note: 1. All questions are compulsory, subject to internal choice.
2. Figures to the right indicate maximum marks.

Q1A) Multiple Choice Questions (Attempt any 8):

(08 marks)

- i. Which of these asset classes is most likely to meet the objective of generating regular income?
 - a. Equity
 - b. Derivatives
 - c. Debt
 - d. Gold

- ii. Registration and regulation of securities market intermediaries is the function of _____.
 - a. AMFI
 - b. SEBI
 - c. PFRDA
 - d. SRO

- iii. The benchmark stock market index of India is _____.
 - a. BSE Sensex
 - b. S&P 500
 - c. Nikkei 225
 - d. Dow Jones

- iv. Which securities amongst these have proved to be a better bet against inflation?
 - a. Debentures
 - b. Bank Deposit
 - c. Fixed Deposit
 - d. Equity

- v. _____ is the process by which physical certificates of an investor are converted to an equivalent number of securities in electronic form.
- a. Materialisation
 - b. Rematerialisation
 - c. Conversion
 - d. Dematerialisation
- vi. A company making a public issue of securities has to file a draft prospectus with _____.
- a. RBI
 - b. SEBI
 - c. Ministry of Finance
 - d. None of the above
- vii. The group of market participants that collectively facilitate interaction between investors and issuers is known as _____.
- a. Regulators
 - b. Intermediaries
 - c. Shareholders
 - d. FII
- viii. Which of the following is ranked last both in terms of profit sharing and receiving liquidation proceeds?
- a. Lenders
 - b. Employees
 - c. Government creditors
 - d. Equity shareholders
- ix. ASBA is the acronym for _____.
- a. Application Supported by Blocked Amount
 - b. Applying Sponsoring Brokers Amounts
 - c. Application Supports for Brokers Amount
 - d. Application Supported by Built Amount

- x. _____ tap the securities market for funds.
- a. Public Sector Companies
 - b. Private Sector Companies
 - c. Both a & b
 - d. None of the above

Q1B) State whether the following statements are True or False (Attempt any 7): (07 marks)

- i. The main difference between a Market Order and Limit Order is that in Limit Order the trader needs to mention a price and in Market Order, no price needs to be mentioned.
- ii. In a settled trade, the credit of shares / funds to client's accounts is on T+2 day.
- iii. In an OFF-MARKET trade, the clearing and settlement takes place with the participation of a clearing corporation.
- iv. Saturdays/Sundays/Bank and Exchange holidays are excluded for arriving of settlement days.
- v. PE refers to price-equity ratio.
- vi. The main classification of Investors are broadly Retail Investors and Institutional Investors.
- vii. Once the formalities of KYC and other details are complete, each client is assigned a Unique Client Code by the broker.
- viii. NSDL stands for National Stock Depository Ltd.
- ix. The primary responsibility of regulating the Indian Securities Market lies with NSDL and CDSL.
- x. Arbitration aims at quicker legal resolution for disputes.

Q2) (a) What is book-building? Describe the process. (08 marks)

(b) What is secondary market and who are the major players in it? (07 marks)

OR

(p) Explain the importance of BSE & NSE. (08 marks)

(q) What are the important factors influencing share prices? (07 marks)

Q3) (a) Explain the Trade Life Cycle in the securities market. (08 marks)

(b) What are the functions of a Merchant Bank? (07 marks)

OR

(p) Differentiate between Fundamental Analysis and Technical Analysis. (08 marks)

(q) Explain market indices with reference to India. (07 marks)

Q4) (a) What is ADR and GDR? (08 marks)

(b) What are the types of risks for a broker? (07 marks)

OR

(p) Explain the trading strategy of Long and Short. (08 marks)

(q) What is a Demat account? Who is a Depository Participant? (07 marks)

Q5) (a) What are equity shares? Explain the salient features of equity shares. (08 marks)

(b) What is Rolling Settlement? (07 marks)

OR

(c) Write short notes (Attempt any 3): (15 marks)

- i. Bulls & Bears
- ii. SEBI
- iii. Hedging
- iv. Green Shoe option
- v. IPO
