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Q.P. code 53000
Duration : 2 ½ hours

Marks : 75

- All questions are compulsory

Q1. A. Match the following: (Any 8)

Column A		Column B	
1	T-Bill	a	Money Market Instrument
2	RBI	b	1935
3	Merchant Banker	c	IPO Pricing
4	Ex-Dividend	d	Dividend not available to purchaser
5	Asset Plays	e	Companies that own value assets
6	IPO	f	Primary Market
7	Indigenous Bankers	g	Unorganized Markets
8	NEAT	h	NSE
9	Rolling Settlement	i	T+2
10	BSE Sensex	j	30 companies

8 Marks

B. State whether True or False: (Any 7)

7 Marks

All are TRUE

1. Circuit breakers are applied when stock prices move beyond a particular range.
2. NSE Nifty is a weighted index of 50 stocks.
3. A bull market is when market is going up.
4. ESOP is a plan where equity shares are given to employees of a company.
5. DRIPS allow the shareholders to reinvest cash dividends directly into the purchase of additional shares.
6. Clearing corporation is responsible for settlement of trades.
7. SEBI protects the interest of the investors.
8. Merchant bankers perform underwriting services as well.
9. NSE was established in 1994.
10. In an IPO "cutoff option" is available to retail individual investors.

Q2. A. What is the role of capital markets in an economy?

8 Marks

Answer:

Liquidity – Economic Growth – Development – Investment Avenues etc

B. Explain the different classes of stock.

Answer:

DRIPS – Stock Split – Reverse Stock Split – Treasury Stock etc

7 Marks

OR

Q2. C. Explain Separation of Ownership and Management in companies.
(At the teacher's discretion)

8 Marks

D. Explain the role and functions of SEBI.
(At the teacher's discretion)

7 Marks



Q3. A. Explain the role of Merchant Bankers in equity markets.

8 Marks

Answer:

IPO Valuation – Advisory – Portfolio Management – Price of the issues etc

B. Explain ADR and its different levels.

7 Marks

Answer:

Sponsored Level I, II and III and Restricted ADR and Un-sponsored

OR

Q3. C. Explain the IPO Process in detail.

8 Marks

Answer:

Appointment of Merchant Banker – Broker – Prospectus – SEBI application – etc

D. What is ASBA? Explain its features.

7 Marks

Answer:

Explain ASBA and any 6 features

Q4. A. What is listing of securities? Explain its benefits.

8 Marks

Answer:

Explain Listing and any 6 benefits

B. What is a Stock Exchange? What are its functions?

7 Marks

Answer:

Explain Stock Exchange and any 6 functions

OR

Q4. C. What are the different categories of shares traded in BSE & NSE?

8 Marks

Answer:

Any 5 types – Type A, B, Z, Penny Stocks, Midcap, Small Cap, Bluechip

D. What are the benefits of a stock exchange?

7 Marks

Answer:

Any 6 benefits

Q5. A. Why is the need to attract more investors towards equity markets?
(At the teacher's discretion)

8 Marks

B. Explain the linkage between Primary and Secondary Markets.
(At the teacher's discretion)

7 Marks

OR

Q5. Write short notes on: (Any three)
(At the teacher's discretion)

15 Marks

(3)

1. Green Shoe Option
2. OTCEI
3. IDR
4. Book Building
5. Red Herring Prospectus

