

Securities Laws and Compliances **266**

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) Hedge funds are similar to mutual funds.
 - (ii) Orders of SEBI are appealable before the Securities Appellate Tribunal.
 - (iii) A listed company is required to appoint compliance officer.
 - (iv) Depository participants are subjected to audit.
 - (v) Green shoe option is a stabilisation tool.
- (2 marks each)*
- (b) Re-write the following sentences after filling-in the blank spaces with appropriate words(s)/figure(s) :
- (i) Clause 49 of the listing agreement deals with _____.
 - (ii) Government securities are issued by _____ on behalf of the government.
 - (iii) Equity linked saving schemes now have lock-in-period of _____ years.
 - (iv) Mandatory client code facilitates _____.
 - (v) Securities are traded for immediate delivery and payment in the _____.
- (1 mark each)*
2. (a) Write short notes on **any four** of the following :
- (i) Certificate of deposit
 - (ii) Hybrid instruments
 - (iii) Commodity bonds
 - (iv) Clearing corporation
 - (v) Debenture trustee.
- (3 marks each)*

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(b) Expand the following abbreviations :

- (i) ETF
- (ii) QIP
- (iii) ECN.

(1 mark each)

3. (a) “Credit rating establishes a link between risk and return.” Discuss.

(4 marks)

(b) Explain briefly the role and responsibilities of Registrar and Transfer Agent (RTA) in an IPO.

(4 marks)

(c) You are Company Secretary of All Season Travels Ltd., which being listed on the stock exchange after an IPO is made by the company. Your Board of directors desires to understand about the compliance requirements under Clause 41 of the listing agreement. Write a Board note on ‘Clause 41 of the listing agreement’.

(7 marks)

4. Comment briefly on **any five** of the following statements :

- (i) “The securities market has two interdependent and inseparable segments.”
- (ii) “There are a large number of participants in the money market.”
- (iii) “Derivative contracts are of various types.”
- (iv) “Collective investment scheme is constituted as trust.”
- (v) “Venture capital funds invest in all types of securities.”
- (vi) “Dematerialisation and immobilisation are distinct activities.”

(3 marks each)

5. (a) Distinguish between **any three** of the following :

- (i) ‘Spot delivery’ and ‘special delivery’.
- (ii) ‘Book closure’ and ‘record date’.
- (iii) ‘Pay-in’ and ‘pay-out’.
- (iv) ‘Forwards’ and ‘futures’.

(3 marks each)

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(b) Explain briefly the following terms associated with securities market :

- (i) Basket trading system
- (ii) Trading volume
- (iii) Trading cycle.

(2 mark each)

PART—B

(Answer ANY TWO questions from this part.)

6. (a) Explain briefly **any four** of the following statements :

- (i) “FCCB and ECB are different modes for raising foreign capital.”
- (ii) “Debt market in India comprises of two segments.”
- (iii) “IDR and GDR have distinct features.”
- (iv) “Investor Education and Protection Fund is set-up in the interest of investors.”
- (v) “Public issue aims at selling and marketing of shares to public.”

(3 marks each)

(b) You are Company Secretary of Golden Securities Ltd. The Board of directors wants to make a rights issue of shares to its existing shareholders in the ratio of 2 shares for every single share held by a shareholder. Prepare a qualitative note highlighting the steps involved in the issue of rights shares.

(8 marks)

7. (a) What is ‘debt security’ ? Describe the different debt market participants.

(5 marks)

(b) Discuss the rules for preferential issue of shares by existing listed companies.

(5 marks)

(c) What are the functions and powers of an Ombudsman ?

(5 marks)

(d) Explain briefly the SEBI Regulations for book building.

(5 marks)

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

- (i) Lock-in-period
- (ii) Subscription list
- (iii) ASBA
- (iv) Financial literacy-cum-counselling centre
- (v) Delisting of securities
- (vi) Fixed income products
- (vii) Roadshows in Euro issues.

(4 marks each)

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