

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

P A R T – 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 correct or incorrect :

- (i) Capital market is wider than securities market.
- (ii) Mandatory client code facilitates market surveillance.
- (iii) CAMEL model is used for rating of banking companies.
- (iv) A foreign currency convertible bond is a quasi-debt instrument.
- (v) The placement memorandum is to be issued for private circulation only after the expiry of 21 days of its submission to SEBI.

(2 marks each)

(b) Re-write the following sentences after filling-in the blank spaces with appropriate words(s)/figure(s) :

- (i) Credit rating is considered more relevant for gradation of _____.
- (ii) Clearing corporation deals with _____.
- (iii) Securities in _____ are not available for buy-back until the period expires.
- (iv) Indian money market is getting integrated with the global market through _____.
- (v) _____ is a stabilization tool for post-listing price of newly issued shares.

(1 mark each)

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

- (i) Mortgage backed securities
- (ii) Basket trading system
- (iii) Market abuse
- (iv) Debt for equity swap.

(2 marks each)

- (b) Expand the following abbreviations :
- (i) M C F S
 - (ii) S P D R
 - (iii) W M A .
- (1 mark each)*
- (c) Explain the investment criteria for a foreign venture capital fund in India.
- (4 marks)*
3. (a) Explain the following terms related to capital market :
- (i) Commodity pool
 - (ii) Depository participant.
- (2 marks each)*
- (b) Explain the following terms related to money market :
- (i) Auction
 - (ii) Primary dealer.
- (2 marks each)*
- (c) Write a brief note on 'market making'.
- (3 marks)*
- (d) "Primary market is of great significance to the economy." Comment.
- (4 marks)*
4. (a) Distinguish between **any two** of the following :
- (i) 'Funds pay-in' and 'funds pay-out'.
 - (ii) 'Merchant banker' and 'portfolio manager'.
 - (iii) 'Commercial bills' and 'commercial papers'.
- (3 marks each)*
- (b) What is a 'self-regulatory organisation' ? What are its functions and obligations?
- (5 marks)*
- (c) Discuss the factors generally considered by credit rating agencies for the rating of manufacturing companies.
- (4 marks)*
5. (a) Explain briefly the responsibilities and obligations of a debenture trustee.
- (4 marks)*
- (b) Explain briefly the broad framework for short selling.
- (4 marks)*

- (c) The redemption price of a mutual fund unit is Rs.48 while the front-end load and back-end load charges are 2% and 3% respectively. You are required to calculate—
- (i) Net asset value per unit; and
 - (ii) Public offer price of the unit.
- (7 marks)

P A R T – B

(Answer ANY TWO questions from this part.)

6. (a) "IPO grading is a service aimed at facilitating the assessment of the equity issue offered to the public." Discuss.
- (4 marks)
- (b) Define 'fast track issue'. List out the conditions to make a fast track issue.
- (4 marks)
- (c) What are the eligibility norms for public issue by an unlisted company ?
- (4 marks)
- (d) Briefly explain the following terms related to debt market :
- (i) Pass through certificates
 - (ii) Benchmarked instruments
 - (iii) Inflation linked bonds
 - (iv) Floating interest rate.
- (2 marks each)
7. (a) What is due diligence in the process of public issue of securities ? Explain its scope and significance.
- (4 marks)
- (b) What are the compliances under the listing agreement for Indian depository receipts (IDRs) relating to appointment of Company Secretary and undertaking of due diligence of Registrar and Transfer Agent (RTA), etc. ?
- (4 marks)
- (c) State the conditions required to be fulfilled for conversion of external commercial borrowings (ECBs) into equity.
- (4 marks)
- (d) You are the Company Secretary of Great India Ltd. Prepare a Board note outlining various requirements of SEBI guidelines for rights issue and list out the major steps involved in rights issue.
- (8 marks)

8. (a) What are the legal provisions for investor protection with regard to --
- (i) misstatements in a prospectus; and
 - (ii) failure to send financial statements ?
- (5 marks)*
- (b) Briefly explain the principal documents involved in issuance of global depository receipts (GDRs) and foreign currency convertible bonds (FCCBs).
- (5 marks)*
- (c) Can an issuer company offer specified securities at different prices ? What are the conditions laid down under the SEBI investor protection guidelines with regard to differential pricing of securities ?
- (5 marks)*
- (d) What is 'book building' ? What is the difference between 'fixed price process' and 'book building process' ?
- (5 marks)*

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