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| **Roll No…………** |  |
| **Time allowed : 3 hours** | **Maximum marks : 100** |
| **Total number of questions : 8** | **Total number of printed pages : 2** |

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| **PART — A** |
| *(Answer Question No.1 which is compulsory and****any three****of the rest from this part)* |

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| 1. | (a) | State, with reasons in brief, whether the following statements are true or false : | |  |  |
|  |  | (i) | Sweat equity shares are allotted to employees of a company as gift for their performance. |  | (0) |
|  |  | (ii) | Continuing disclosure by listed companies under the SEBI Takeover Code affects the [market price](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2008/p1ee/) of company’s shares. |  | (0) |
|  |  | (iii) | In case of rolling settlement, the delivery of funds and securities is settled on T+2 basis. |  | (0) |
|  |  | (iv) | The Central Government cannot privately place the government securities with the Reserve Bank of India. |  | (0) |
|  |  | (v) | Listing of securities with stock exchanges is a matter of great importance. |  | (0) |
|  | *(2 marks each)* | | |  |  |
|  | (b) | Choose the most appropriate answer from the given options in respect of the following : | |  |  |
|  |  | (i) | The responsibility for regulating the securities [market](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2008/p1ee/) is not shared by the –  (a) SEBI  (b) Reserve Bank of India  (c) Stock Exchanges  (d) Ministry of Corporate Affairs. |  | (0) |
|  |  | (ii) | The mechanism for employees to report to the management certain events like, unethical behaviour, suspected fraud or violation of the company’s code of conduct is known as –  (a) Whistle blower policy  (b) Surveillance action  (c) Market abuse  (d) Snap investigation. |  | (0) |
|  |  | (iii) | The money market instrument which is issued in the form of a promissory note is called –  (a) Commercial bill  (b) Commercial paper  (c) [Treasury bill](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2008/p1ee/)  (d) Unit issued by a ‘money market mutual fund’ (MMMF). |  | (0) |
|  |  | (iv) | Before 1992, the authority which used to regulate and deal with the stock market was the –  (a) Reserve Bank of India  (b) Controller of Capital Issues  (c) Registrar of Companies  (d) SEBI. |  | (0) |
|  |  | (v) | [Stock brokers](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2008/p1ee/) and sub–brokers are required to be registered with the –  (a) SEBI  (b) Stock exchanges  (c) Registrar of Companies  (d) Both (a) and (b). |  | (0) |
|  | *(1 mark each)* | | |  |  |
| 2. | (a) | Write short notes on the following : | |  |  |
|  |  | (i) | Securities lending |  | (0) |
|  |  | (ii) | Fungibility |  | (0) |
|  |  | (iii) | Custodian of securities. |  | (0) |
|  | *(3 marks each)* | | |  |  |
|  | (b) | Expand the following abbreviations : | |  |  |
|  |  | (i) | OMO |  | (0) |
|  |  | (ii) | FSO |  | (0) |
|  |  | (iii) | STR. |  | (0) |
|  | *(1 mark each)* | | |  |  |
|  | (c) | What are the securities which are not available for buy–back? | |  | (0) |
|  | *(3 marks)* | | |  |  |
| 3. | (a) | Distinguish between **any two** of the following :. | |  |  |
|  |  | (i) | ‘Primary market’ and ‘secondary market’. |  | (0) |
|  |  | (ii) | ‘Close ended schemes’ and ‘open ended schemes’. |  | (0) |
|  |  | (iii) | ‘Disaster bonds’ and ‘dual convertible bonds’. |  | (0) |
|  | *(3 marks each)* | | |  |  |
|  | (b) | "Capital market intermediaries are a vital link between the SEBI and investors in a public issue." Comment. | |  | (0) |
|  | *(5 marks)* | | |  |  |
|  | (c) | Explain the following grading scales for healthcare institutions given by [CRISIL](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2008/p1ee/) : | |  |  |
|  |  | (i) | Grade A |  | (0) |
|  |  | (ii) | Grade B |  | (0) |
|  |  | (iii) | Grade C |  | (0) |
|  |  | (iv) | Grade D. |  | (0) |
|  | *(1 mark each)* | | |  |  |
| 4. | (a) | What are the obligations of a capital market intermediary under the Prevention of Money Laundering Act, 2002 ? | |  | (0) |
|  | *(5 marks)* | | |  |  |
|  | (b) | List out any four clauses of listing agreement. | |  | (0) |
|  | *(5 marks)* | | |  |  |
|  | (c) | "Depository system is a boon to capital market and investors, both." Elucidate the statement and bring out the advantages of the dematerialisation of securities. | |  | (0) |
|  | *(5 marks)* | | |  |  |
| 5. | (a) | Define ‘NAV’ and ‘offer price’. If Rahul invests Rs.10,000 in a scheme that charges 2% front end load at an NAV of Rs.10 per unit, what shall be the public [offer price](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2008/p1ee/)? | |  | (0) |
|  | *(5 marks)* | | |  |  |
|  | (b) | What are the pre–requisites for ‘option trading’? Explain the issues connected with option trading. | |  | (0) |
|  | *(5 marks)* | | |  |  |
|  | (c) | Explain the concept of ‘collective investment scheme’. State briefly the obligations of trustees. | |  | (0) |
|  | *(5 marks)* | | |  |  |

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| **PART — B** |
| *(Answer ANY TWO questions from this part.)* |

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| 6. | (a) | What is ‘initial public offering’ (IPO) grading ? Explain the procedure for IPO grading. | |  | (0) |
|  | *(5 marks)* | | |  |  |
|  | (b) | What is ‘green shoe option’? Explain its significance. | |  | (0) |
|  | *(5 marks)* | | |  |  |
|  | (c) | List out the various approvals required for issuance of ‘Global Depository Receipts’ (GDRs) and the documentation required therefor. | |  | (0) |
|  | *(5 marks)* | | |  |  |
|  | (d) | Explain the procedure adopted for approval of ‘basis of allotment’ by the stock exchanges. | |  | (0) |
|  | *(5 marks)* | | |  |  |
| 7. | (a) | Explain **any three** of the following terms relating to debt market in India : | |  |  |
|  |  | (i) | Benchmarked instruments. |  | (0) |
|  |  | (ii) | Inflation linked bonds |  | (0) |
|  |  | (iii) | Pass through certificates |  | (0) |
|  |  | (iv) | Floating interest rate. |  | (0) |
|  | *(2 marks each)* | | |  |  |
|  | (b) | What is meant by the following in a public issue : | |  |  |
|  |  | (i) | Subscription list |  | (0) |
|  |  | (ii) | Issue opening date. |  | (0) |
|  |  | (iii) | Mandatory collection centre? |  | (0) |
|  | *(3 marks each)* | | |  |  |
|  | (c) | What is the ‘investor education and protection fund’ (IEPF) ? Briefly explain its activities as stipulated under the IEPF Rules. | |  | (0) |
|  | *(5 marks)* | | |  |  |
| 8. | (a) | What do you understand by ‘fast track issues’? Explain in brief the provisions related to fast track issues. | |  | (0) |
|  | *(6 marks)* | | |  |  |
|  | (b) | Write short notes on the following: | |  |  |
|  |  | (i) | Foreign currency convertible bonds (FCCBs) |  | (0) |
|  |  | (ii) | Overseas depository bank. |  | (0) |
|  |  | (iii) | Prohibition of certain dealings in securities under the SEBI Regulations. |  | (0) |
|  | *(3 marks each)* | | |  |  |
|  | (c) | What are the requirements for making investment in Indian Depository Receipts (IDRs)? | |  | (0) |
|  | *(5 marks)* | | |  |  |