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

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| **PART — A** |
| *(Answer Question No.1 which is compulsoryand****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) | Merchant bankers can acquire shares of the company in which they have got professional assignment. |   | (0) |
|   |   | (ii) | A company can use different modes for buy-back of its shares in a single offer. |   | (0) |
|   |   | (iii) | Venture capital is invested in [equity](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2010/p26p/) securities of new companies promoted by technocrats. |   | (0) |
|   |   | (iv) | No mutual fund scheme shall invest more than 10% of NAV in the [equity shares](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2010/p26p/) or equity related instruments of one company. |   | (0) |
|   |   | (v) | The placement memorandum is issued for public circulation only. |   | (0) |
|   | *(2 marks each)* |   |   |
|   | (b) | Re–write the following sentences after filling–in the blank spaces with appropriate words(s)/figure(s) : |   |   |
|   |   | (i) | Financial system covers both \_\_\_\_\_\_\_\_\_\_\_ and credit transactions. |   | (0) |
|   |   | (ii) | All certificates in depository are interchangeable and known as \_\_\_\_\_\_\_\_\_\_\_\_\_. |   | (0) |
|   |   | (iii) | Re–issue of existing government securities having pre–determined yields by the Reserve Bank of India is known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. |   | (0) |
|   |   | (iv) | The circuit breakers bring about a coordinated trading halt in both \_\_\_\_\_\_\_\_\_\_\_\_and derivative markets. |   | (0) |
|   |   | (v) | \_\_\_\_\_\_\_\_\_\_\_\_\_ are [investment](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2010/p26p/) trusts, syndicates or similar enterprises that are operated for the purpose of trading commodity futures. |   | (0) |
|   | *(1 mark each)* |   |   |
| 2. | (a) | Comment on any three of the following statements : |   |   |
|   |   | (i) | "A private equity fund is like a hedge fund." |   | (0) |
|   |   | (ii) | "Credit rating is a marketing tool for the companies." |   | (0) |
|   |   | (iii) | "Depository system works very much like a banking system." |   | (0) |
|   |   | (iv) | "Demutualisation of stock exchanges is to convert the traditional stock exchanges into a company." |   | (0) |
|   | *(3 marks each)* |   |   |
|   | (b) | Distinguish between **any two** of the following : |   |   |
|   |   | (i) | ‘Public notice’ and ‘public announcement’. |   | (0) |
|   |   | (ii) | ‘Disaster bonds’ and ‘convertible bonds’. |   | (0) |
|   |   | (iii) | ‘Book closure’ and ‘record date’. |   | (0) |
|   | *(3 marks each)* |   |   |
| 3. | (a) | Write short notes on **any three** of the following : |   |   |
|   |   | (i) | Foreign institutional [investors](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2010/p26p/) |   | (0) |
|   |   | (ii) | Portfolio manager |   | (0) |
|   |   | (iii) | Trend line |   | (0) |
|   |   | (iv) | Money market mutual funds. |   | (0) |
|   | *(3 marks each)* |   |   |
|   | (b) | Discuss briefly the various investment strategies adopted in option trading. |   | (0) |
|   | *(3 marks)* |   |   |
|   | (c) | Expand the following abbreviations : |   |   |
|   |   | (i) | UCC |   | (0) |
|   |   | (ii) | CFTC |   | (0) |
|   |   | (iii) | SEFT. |   | (0) |
|   | *(1 mark each)* |   |   |
| 4. | (a) | Explain briefly any two of the following terms related to securities market : |   |   |
|   |   | (i) | [Private placement](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2010/p26p/) |   | (0) |
|   |   | (ii) | Surveillance at BSE |   | (0) |
|   |   | (iii) | Market making. |   | (0) |
|   | *(2 marks each)* |   |   |
|   | (b) | What is ‘collective investment scheme’? What are the restrictions on their business activities ? |   | (0) |
|   | *(4 marks)* |   |   |
|   | (c) | "A well functioning securities market is conducive to sustained economic growth of a country." Comment and discuss briefly the regulatory framework of [securities market](http://www.futureaccountant.com/exam-question-previous-papers/2008-cs-ep-module-ii_securities-laws-and-compliances-december-2010/p26p/) in India. |   | (0) |
|   | *(7 marks)* |   |   |
| 5. | (a) | Explain the term ‘suspicious transaction report’ under the Prevention of Money Laundering Act, 2002. |   | (0) |
|   | *(4 marks)* |   |   |
|   | (b) | What are the obligations of foreign venture capital investor ? |   | (0) |
|   | *(4 marks)* |   |   |
|   | (c) | Discuss briefly the composition, role and responsibilities of an audit committee under clause 49 of the listing agreement. |   | (0) |
|   | *(7 marks)* |   |   |

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

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| 6. | (a) | What is ‘applications supported by blocked amount’ (ASBA) ? Briefly explain ASBA process. |   | (0) |
|   | *(5 marks)* |   |   |
|   | (b) | Discuss the eligibility criteria and conditions for issue of Indian Depository Receipts (IDRs). |   | (0) |
|   | *(5 marks)* |   |   |
|   | (c) | State briefly the requirements for bidding process related to public issue of equity shares. |   | (0) |
|   | *(5 marks)* |   |   |
|   | (d) | What constitutes debt market in India ? Describe the various investors in the debt market. |   | (0) |
|   | *(5 marks)* |   |   |
| 7. | (a) | Elaborate the various steps involved in the issue of rights shares. |   | (0) |
|   | *(5 marks)* |   |   |
|   | (b) | What is ‘Stipendiary Ombudsman’? What are his qualifications? |   | (0) |
|   | *(5 marks)* |   |   |
|   | (c) | What is ‘offering circular’? Explain the contents of offering circular for Euro issue. |   | (0) |
|   | *(10 marks)* |   |   |
| 8. | Write notes on any five of the following : |   |   |
|   | (i) | Anchor investor |   | (0) |
|   | (ii) | Subscription agreement |   | (0) |
|   | (iii) | Compulsory delisting |   | (0) |
|   | (iv) | Road show in Euro issues |   | (0) |
|   | (v) | External commercial borrowings |   | (0) |
|   | (vi) | Employees’ Stock Purchase Scheme |   | (0) |
|   | *(4 marks each)* |   |   |