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Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 6

Total number of printed pages : 4

**NOTE** : Answer **ALL** Questions.

## PART – A

1. (a) Super mutual fund has launched a scheme named 'Super Bonanza'. The net asset value (NAV) of the scheme is ₹12.00 per unit. The redemption price is ₹11.65 per unit and offer price is ₹12.50 per unit. You are required to calculate —
- (i) Front-end load; and
  - (ii) Back-end load.

(6 marks)

- (b) Calculate value of 'rights' from the following information —

Number of rights shares offered	2,500
Number of shares held	1,000
Ex-rights price	₹18
Rights offer price	₹15
Face value of a share	₹10

(4 marks)

- (c) "Factoring is a financial option for the management of receivables." In the light of this statement, explain the meaning and advantages of factoring.

(5 marks)

**Attempt all parts of either Q.No. 2 or Q.No. 2A**

2. Explain the following :

- (a) Credit rating establishes a link between risk and return.

(3 marks)

- (b) Treasury bill is a powerful instrument in the money market.

(3 marks)

- (c) PCS (Practising Company Secretary) certification for SME platform.  
(3 marks)
- (d) All securities in the same class are identical and interchangeable.  
(3 marks)
- (e) Collective investment scheme (CIS) provides a relatively secure means of investing on the stock exchange and other financial instruments.  
(3 marks)

**OR (Alternate question to Q.No. 2)**

- 2A. (i) Private equity fund is an unregistered investment vehicle in which investors pool money to invest. Explain the concept of private equity fund and distinguish it from hedge fund.  
(5 marks)
- (ii) Short selling means selling a stock which the seller does not own at the time of trade. In this context, discuss the broad framework of short selling.  
(5 marks)
- (iii) "Investment advisors provide guidance about financial dealings and investments." Comment on this statement and state the role of investment advisors in capital market.  
(5 marks)
3. (a) What is 'market-making' ? Discuss in brief the obligation of a market-maker.  
(5 marks)
- (b) What is meant by demutualisation of stock exchange ? Explain the purpose of demutualisation.  
(5 marks)
- (c) Explain the conditions for issue of shares with differential voting rights by a listed company.  
(5 marks)
4. (a) Distinguish between the following :
- (i) 'Debt market' and 'equity market'.  
(ii) 'Listed securities' and 'permitted securities'.  
(iii) 'Partly convertible debentures' and 'non-convertible debentures'.  
(3 marks each)

- (b) Explain briefly the following :
- (i) Infrastructure debt fund
  - (ii) Straight through processing (STP).

*(3 marks each)*

**PART – B**

5. (a) Kind Enterprises Ltd. has decided to acquire stake upto 25% of the paid-up share capital of Excel Ltd., which is a listed company and wants to proceed with a public offer pursuant to the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Prepare a Board note highlighting the general obligations of Kind Enterprises Ltd.

*(10 marks)*

- (b) What do you mean by 'reservation on competitive basis' ? Who are the persons eligible in case of issue made through book building process ?

*(5 marks)*

- (c) Briefly explain the role of a Practising Company Secretary in concurrent audit of depository participants.

*(5 marks)*

***Attempt all parts of either Q.No. 6 or Q.No. 6A***

6. Comment on the following statements :
- (a) Dematerialisation and immobilisation are distinct activities.
  - (b) Price sensitive information is any information which relates directly or indirectly to a company.
  - (c) Delisting is not permissible under certain circumstances.
  - (d) The disclosures requirements on the acquisition of shares of a listed target company beyond certain limits are only on the acquirer and not on the target company.
  - (e) An institutional placement programme shall be managed by merchant banker(s) registered with SEBI.

*(4 marks each)*

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*OR (Alternate question to Q.No. 6)*

6A. Write notes on the following :

- (i) Reconciliation of share capital under Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996
- (ii) Corporate governance compliance certificate
- (iii) SCORES
- (iv) Insider trading
- (v) Whistle blower policy.

*(4 marks each)*

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