

Roll No.....

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) Jai Ltd. announced issue of bonus shares in the ratio of 1:3 (i.e., one share for every three shares held). At present the face value of share is ₹10, current market price is ₹621. In addition, it announced split of shares by reducing the face value from ₹10 to ₹2. Calculate the share price if all other things remain constant. What would have been the situation if split would have been done before the issue of bonus shares ?  
(5 marks)
- (b) Somnath Ltd. has a share capital of 50,000 equity shares of ₹100 each. Market value is ₹250 per share. The company decides to make a rights issue to the existing shareholders in proportion of one new rights share of ₹100 at a premium of ₹30 per share for every 5 shares held. Calculate the value of rights.  
(6 marks)
- (c) What is SME exchange ? Explain the benefits of listing on SME exchange.  
(4 marks)

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

2. Explain the following :
  - (a) Primary market is of great significance to the economy of a country.
  - (b) Credit rating is useful to both investors and issuers.
  - (c) Stock market indices are the barometers of stock markets.
  - (d) Participants in the money market.
  - (e) Venture capital funds invest in all types of securities.

(3 marks each)

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

- 2A. (i) In capital market, a trustee is having a number of rights and obligations. Is it correct ? Describe the rights and obligations of a trustee. (6 marks)
- (ii) Is there any advertisement code for mutual funds ? Comment. (6 marks)
- (iii) What do you understand by alternative investment fund ? How they are different from mutual funds ? (3 marks)
3. (a) The debt market in India comprises mainly of two segments, i.e., the government securities market and corporate securities market. Discuss in brief. (5 marks)
- (b) Explain briefly the roles and responsibilities of 'Registrar to an issue' in an initial public offer (IPO). (5 marks)
- (c) Discuss the mechanism of securities lending and borrowing (SLB) schemes. (5 marks)
4. (a) Distinguish between the following :
- (i) 'Hybrid funds' and 'hybrid instruments'.
  - (ii) 'FCCB' and 'FCEB'.
  - (iii) 'Benchmarked instruments' and 'pure instruments'.
- (2 marks each)
- (b) Explain briefly the following :
- (i) Indian depository receipts
  - (ii) Share warrants
  - (iii) Futures and options.
- (3 marks each)

## PART – B

5. (a) "SCORES is an organisation to measure the performance of limited companies." Comment.

*(6 marks)*

- (b) Nikhil Ltd., a listed company is confused about the composition of Board of directors, seeks your advice regarding the composition of Board of directors as per clause 49(II)(A) of the Listing Agreement. As a Company Secretary of Nikhil Ltd., offer your suggestions by highlighting the clause.

*(6 marks)*

- (c) Whether fast track issue can be proceeded just like an IPO or, are there any other conditions to fast track issue ? Explain.

*(8 marks)*

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

6. Comment on the following :

- (a) The Securities and Exchange Board of India Act, 1992 provides for prohibition of manipulative and deceptive devices, and insider trading.
- (b) A company cannot offer its shares at different prices to different sets of people in a particular public issue.
- (c) Book-building process of determining price of a public issue is preferred in case of initial public offer (IPO) while fixed price process is used for further public offer (FPO).
- (d) Investor education and protection fund (IEPF) is set-up only for educating investors.

*(5 marks each)*

# 326

: 4 :

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

**6A.** Write notes on the following :

- (i) Internal audit of stock brokers
- (ii) Investment adviser
- (iii) Immobilisation and dematerialisation
- (iv) Employee stock option scheme (ESOS)
- (v) Escrow account.

*(4 marks each)*

—————0—————