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B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2021.

Fourth Semester

Commerce — Main

CAPITAL MARKET

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. TIPS stand for
 - (a) Tradin In Preferential Securities
 - (b) Treasury Inflation Protected Securities
 - (c) True Inflation Protected Shares
 - (d) Top Industry Protection Scheme

2. Capital market deals with the ____ term funds.
(a) Short (b) Medium
(c) Long (d) Fluctuating
3. Offer for sale issue shares to
(a) Shareholders (b) Public
(c) Creditors (d) None
4. Underwriting ____ the subscription of shares issued using prospectus
(a) Make (b) Guarantees
(c) Offers (d) Acquires
5. Speculation is
(a) Calculated risk taking
(b) Gaming
(c) Gambling
(d) Buying and selling
6. The commodity derivative exchanges in India includes.
(a) NSE
(b) Indian Commodity Exchange Limited
(c) BSE
(d) Metropolitan Commodities and Stock Exchange Limited.

7. Depositories in India are regulated by Depositories act,
- (a) 1985 (b) 1996
- (c) 2000 (d) 1990
8. Major advantage of derivative is
- (a) More returns
- (b) Reduce risk
- (c) Manage risk
- (d) Varieties in offer
9. SEBI was established in the year
- (a) 1986 (b) 1990
- (c) 1982 (d) 1988
10. The purpose of Investor Protection Fund includes.
- (a) To direct procedure for stock trading
- (b) To regulate stock brokers
- (c) To compensate clients of trading members
- (d) To regulate stock exchanges.

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Examine the concept of capital market.

Or

- (b) Discuss the different players in primary market.

12. (a) Explain the features of primary market.

Or

- (b) Describe the concept of FPO.

13. (a) Narrate the advantages of dematerialization of securities.

Or

- (b) Compare investment with speculation.

14. (a) Explain the trading mechanism under derivatives market.

Or

- (b) Compare financial and commodity derivatives.

15. (a) Describe any four important provisions of Securities Contract Regulation Act.

Or

- (b) List out investor protection measures of SEBI.

PART C — ($5 \times 8 = 40$ marks)

Answer ALL questions, choosing either (a) or (b)
Each answer should not exceed 600 words.

16. (a) Critically examine the functioning of Indian securities market.

Or

- (b) Review the nature, types and method of trading in government securities market.

17. (a) Discuss the process, involved in the public issue of shares by a company.

Or

- (b) Enumerate the process, uses and challenges of private placement.

18. (a) Describe the functions of NSE.

Or

- (b) Explain the process and benefits of listing of securities.

19. (a) Elaborate the process of transacting under futures.

Or

- (b) Describe significance and forms of options trading.

20. (a) Discuss the regulatory and development functions SEBI.

Or

- (b) Narrate the operations of investor protection fund.
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