

(Time : 2 ½ Hours)

Marks: 75

- N.B.:** 1. All questions are compulsory.  
 2. Figures to the right indicate marks.  
 3. Each question carries 15 marks each.

**Q.1 (a) Match the columns: (any eight)**

8 Marks

Group 'A'	Group 'B'
1. Abridged prospectus	(a) Market participants in equity market
2. T – Bill	(b) Employee Stock Option Plan
3. Capital formation	(c) Salient of fee prospectus
4. Settlement Cycle	(d) Central Bank
5. ESOP	(e) Members of stock exchange
6. Level III ADR	(f) Indigenous bankers
7. RBI	(g) Money Market Instrument
8. Unorganized markets	(h) Current assets / Current liabilities
9. Current Ratio	(i) Function of equity markets
10. Jobber	(j) T + 2

**Q.1 (B) State whether following statements are True or False: (any seven)**

7 Marks

- Financial instruments are those instruments issued by government.
- RBI is the queen bee of the financial system which influences the commercial banks management.
- Equity holder is the creditor of the company.
- ASBA is the abbreviation for applied sum for block amount.
- ADR/GDR/IDR are receipts that allows investors to invest internationally.
- Merchant banker is a type of dealer.
- New issue markets are those markets which deal in existing securities.
- OTCEI is floorless exchange where all the activities are fully computerized.
- NYSE was established in 1792.
- The external factor that affects the industry as a whole is termed as unsystematic risk, in capital market analysis.

**Q.2 (A) What do you mean by Capital market? Explain the role of capital market in economic development.**

8 Marks

**(B) Define SEBI. Explain the objectives of the SEBI.**

7 Marks

**OR**

**Q.2 (C) Explain various classes of shares as per Peter Lynch.**

8 Marks

**(D) Define Equity shares. Explain the features of equity shares.**

7 Marks

**Q.3 (A) Define ESOP. Explain the benefits of ESOPs.**

8 Marks

**(B) Explain in detail private placement.**

7 Marks

OR

- Q.3 (C) Explain the role of IDR in equity market. 8 Marks  
(D) Define Stock Exchange. Explain the functions of a stock exchange. 7 Marks

- Q.4 (A) Explain the Book Building process of an IPO. 8 Marks  
(B) Explain in detail Clearing & Settlement process. 7 Marks

OR

- Q.4 (C) What are the various benefits of listing of securities? 8 Marks  
(D) Explain in detail NEAT system. 7 Marks

- Q.5 (A) Explain the need to attract more investors toward equity. 8 Marks  
(B) Distinguish between Primary market & Secondary market. 7 Marks

OR

- Q.5 Write short note on : (Any Three) 15 Marks  
(a) Money Market  
(b) Right Issue of shares  
(c) FCCB  
(d) Fundamental Analysis  
(e) Types of investors in equity market

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