

2018

2. Securities Law

1. State whether the following statements are true **or** false : 10×1=10

- (a) Stock exchange which is recognised by the Central Government from time to time is called as National Stock Exchange.
- (b) Contract in derivative shall be legal and valid if such contracts are traded on a registered stock exchange.
- (c) Collective Investment Scheme is provided in section 11AA of the SEBI Act, 1992.
- (d) The provisions of the Limitation Act, 1963 shall not apply to an appeal made to Securities Appellate Tribunal.
- (e) The Depositories Act came into force on 20th September, 1995.
- (f) A depository participant is an agent who acts as an intermediary between investors and depository.
- (g) Sweat Equity shares are allotted to employees of a company as a gift for their performance.

- (h) Unit Trust of India was the first mutual fund set up in the year 1963.
- (i) Capital markets provide an alternative intermediation mechanism for resource mobilisation.
- (j) Foreign Currency Convertible Bonds are unsecured and carry a variable rate of interest.

2. Comment on the following statements :

2×5=10

- (a) Demutualisation of stock exchanges is to convert the traditional stock exchanges into a company.
- (b) SEBI expects the investors to make investments with their eyes and ears open.
- (c) Depository system works very much like a banking system.
- (d) Credit Rating not only plays a significant role in investor protection but also benefits industry as a whole.
- (e) Depository receipt is a kind of negotiable instrument.

3. Discuss the provisions of the Securities Contract (Regulation) Act, 1956 relating to recognition of stock exchange.

Or

“Listing of securities with stock exchange is a matter of great importance for companies and investors”. Discuss. 12

4. Discuss the various powers and functions of the Securities and Exchange Board of India. 12

Or

What do you mean by Securities Appellate Tribunal ? What is its composition ? Explain the procedure for appeal to Securities Appellate Tribunal.

3+3+6=12

5. ‘Depository system is a boon to capital market and investors, both’.

Elucidate the statement in light of the need for setting up depository along with its advantages. 6+6=12

Or

Enumerate the provisions relating to inspection and penalties under the Depositories Act, 1996. 12

6. Explain briefly the roles of the following capital market intermediaries —

3+3+3+3=12

- (a) Merchant Banker
- (b) Debenture Trustees
- (c) Stock Broker
- (d) Custodian.

Or

Write notes on the following :

6+6=12

- (a) Buy Back of Securities
- (b) Mutual Fund.

7. Examine the concept of resource mobilisation in the context of International Capital Market. 12

Or

What do you mean by Indian Depository Receipts? Discuss the procedure to be followed for issue of Indian Depository Receipts. 5+7=12