

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2014**Fourth Semester****Core Course X—CAPITAL MARKET****(Common for Model I, Model II and UGC Sponsored B.Com. Degree Programmes)****Time : Three Hours****Maximum Weight : 25***Answers may be written either in English or in Malayalam.***Section A***Answer all questions.**Each bunch of four questions carries a weight of 1.***I. Choose the correct answer from the choices given :****1. Draft offer document is submitted to the :**

- | | |
|--------------------------|-----------------------------|
| (a) Stock Exchange. | (b) SEBI. |
| (c) Banker to the issue. | (d) Registrar of Companies. |

2. Public issue means IPO and _____.

- | | |
|------------------|-------------------|
| (a) ESOP. | (b) Rights Issue. |
| (c) Bonus Issue. | (d) FPO. |

3. Listing is mandatory for :

- | | |
|-------------------------------|---------------------------------------|
| (a) Trading in stock markets. | (b) Making a new issue. |
| (c) Declaring dividend. | (d) Trading in international markets. |

4. SENSEX is the index of :

- | | |
|-------------------------------|------------------------------|
| (a) Cochin Stock Exchange. | (b) Bombay Stock Exchange. |
| (c) Bangalore Stock Exchange. | (d) National Stock Exchange. |

II. Fill in the blanks :

5. The facility to carry forward a transaction from one settlement period to another is known as _____.
6. _____ guarantees subscription of securities in the primary market.
7. When physical shares are converted into electronic form, it is called _____.
8. The seller in an option contract is called _____.

Turn over

III. State whether the following statements are True or False :

9. CPs are issued at a discount to face value basis.
10. Rights issue is not made to existing shareholders.
11. Futures position can be closed before maturity.
12. Primary market is the market for second hand shares.

IV. Match the following :

- | | |
|-------------------|--------------------------------------|
| 13. MRD | (a) Existing shareholders. |
| 14. GDRs | (b) Reducing number of shares. |
| 15. Bonus issue | (c) Formulating Policies. |
| 16. Reverse split | (d) Jobbers. |
| | (e) Countries other than USA. |
| | (f) Increasing the number of shares. |

(4 × 1 = 4)

Section B

Answer any five questions.

Each question carries a weight of 1.

17. Define dematerialisation.
18. What is book building ?
19. Who is a stag ?
20. What is financial market ?
21. Define secondary market.
22. Who is a lead manager ?
23. What is red herring prospectus ?
24. What is insider trading ?

(5 × 1 = 5)

Section C

Answer any four questions.

Each question carries a weight of 2.

25. What are the operational departments of SEBI ?
26. Discuss the steps in book building process.
27. Explain the features of derivatives.
28. State the advantages of listing.
29. State the benefits of Screen based trading.
30. What is NSE ? State its features.

(4 × 2 = 8)

Section D

Answer any two questions.

Each question carries a weight of 4.

31. Describe the recent trends in Indian Capital Market.
32. Explain the objectives and functions of SEBI.
33. Describe financial derivatives.

(2 × 4 = 8)