

EXECUTIVE PROGRAMME SECURITIES LAWS AND COMPLIANCES

TEST PAPER 4/2008

(COMPULSORY)

(Based on the Entire Study Material)

Time allowed: 3 hours Maximum marks: 100

NOTE: Attempt any six questions including Question No. 1 which is COMPULSORY.

1. Write Notes on ANY FOUR of the following :
 - (i) Green Shoe Option
 - (ii) Corporate Membership
 - (iii) Market Abuse
 - (iv) Corporate Filing and Dissemination System
 - (v) Investor Education & Protection Fund.

(5 marks each)
2. (a) Explain ANY TWO of the following Credit Rating Symbols and name the concerned Credit Rating agencies :
 - (i) P-4
 - (ii) LAAA
 - (iii) AAA (ind)

(2 marks each)

(b) Explain ANY TWO of the following :

 - (i) Exchange traded funds
 - (ii) Fund of funds
 - (iii) Easy exit bonds

(c) Briefly discuss the regulatory framework governing Foreign Institutional Investors in India.

(2 marks each)

(d) Write a short note on Concurrent Audit.

(4 marks)
3. (a) Discuss the various functions of Registrar under Securities Appellate Tribunal (Procedure) Rules, 2000.

(6 marks)

(b) Explain the general obligations of Bankers to an issue in context to issue of securities by a listed company.

(6 marks)

(c) "Every Foreign Institutional Investor is under an obligation to keep or maintain books of accounts, records and documents".—Discuss.

(4 marks)
4. (a) Briefly discuss the procedure for voluntary delisting of securities from all stock exchanges.

(8 marks)

(b) Discuss the role of Compensation Committee under Employee Stock Option Scheme.

(4 marks)

(c) Briefly explain the procedure relating to the conduct of enquiry under Rule 16 of Securities Contracts (Regulation) Rules, 1957.

(4 marks)
5. (a) Distinguish between ANY TWO of the following :
 - a. Listed cleared securities and permitted securities
 - b. Call option and Put option.
 - c. Dematerialisation and Rematerialisation

(2 marks)

- d. Close ended schemes and Open ended schemes. each)
- (b) Discuss the various aspects required to be covered under the audit carried out for purposes of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital of a listed company. (6 marks)
- (c) Enumerate the various factors contributing to the success of a rating system. (6 marks)
6. (a) Distinguish between Bottom up Investing and Top down Investing Strategy. (2 marks)
- (b) Briefly discuss the various risks involved in mutual funds. (5 marks)
- (c) The redemption price of a mutual fund unit is Rs.12 while the front-end load and back-end load charges are 2% and 3% respectively. You are required to calculate :
- (i) Net Asset Value (NAV) per unit.
- (ii) Public Offer-price of the unit. (5 marks)
- (d) Explain ANY FOUR of the following terms :
- i. CIS
 - ii. AMC
 - iii. VCF
 - iv. DFHI
 - v. ICD
 - vi. IPA
- (1 mark each)
7. (a) What are the various contents of Placement Memorandum to be filed by Venture Capital Fund with SEBI. (6 marks)
- (b) Briefly explain the various sources available with the companies for buy-back of securities. (6 marks)
- (c) Discuss various benefits of investing in treasury bills. (4 marks)
8. (a) Discuss the power of Company Law Board to order repayment of Deposits. (6 marks)
- (b) Discuss the concept of Board Independence with reference to Clause 49 of the listing agreement. (10 marks)