

2

PQ10AEK

STPM
Equity Mkts-I
7/10/16

Time : 2.5 hrs.

Marks: 75

Q1 (A) State whether the following are true or false. (any 8) (8)

1. Preference shareholders get fixed rate of dividend.
2. Bombay stock exchange was established in 1995.
3. Listing of shares is voluntary.
4. In book building process price of shares is fixed in advance.
5. Secondary market deals in trading of securities.
6. Stock exchange is an example of secondary market in India.
7. All companies must issue Red herring prospectus at the time of IPO.
8. Equity shareholders are the real owners of the company.
9. Merchant bank is a type of intermediary in primary market.
10. In book building process price of shares is fixed in advance.

Q1 (B) Fill in the Blanks. (any 7) (7)

1. GDR stands for _____.
2. SEBI and RBI are regulators of _____ market.
3. In fixed price issue, price of shares are fixed in _____.
4. Trading of shares takes place in _____ market.
5. _____ has issued guidelines for investor protection.
6. _____ market deals with fresh issues of securities.
7. In book building, company issues _____ prospectus
8. A broker acts as a link between the stock exchange and the _____.
9. The _____ act as advisors of the corporates.
10. Contract note is a statement containing information of _____.

Q2A What is an equity share? What are its types? (8)

B What is a secondary market? Explain its difference between primary market and secondary market. (7)

OR

Q2C What are the different kinds of issues in the primary market? (8)

D What are the features of equity shares? (7)

Q3A What is book building? Explain the process in detail. (8)

B What is the difference between fixed price and book building issue. (7)

OR

Q3 C What is a merchant bank? What are the services offered by them? (8)

D Who is a broker? What are the functions of a broker? (7)

Q4 A What is a contract note? What are the details mentioned in it? (8)

B What is accounting period and rolling period settlement? (7)

OR

Q4 C What are the details which are to be mentioned in the client registration form of a broker? (8)

D What are the rights and obligations of an investor? (7)

Q5 Write short notes on (any three) (15)

1. Red herring prospectus

2. Green paper