2017
CAPITAL MARKETS

Marks: 70 Time: 3 hours

General instructions:

i) *Approximately 15 minutes is allotted to read the question paper and revise the answers.*

ii) *The question paper consists of 24 questions. All questions are compulsory.*

iii) *Marks are indicated against each question.*

iv) *Internal choice has been provided in some questions.*

N.B: Check that all pages of the question paper is complete as indicated on the top left side.

1.	What is secondary market?	**1**
2.	Name the regulators of market participants of securities market.	**1**
3.	Which exchange was the first to introduce NEAT system?	**1**
4.	Define the term 'limit order book'.	**1**
5.	What is pay-in-day?	**1**
6.	Define security VaR.	**1**
7.	Mention any two SEBI intermediaries.	**1**
8.	Write the formula for return on equity.	**1**
9.	State any two eligibilities to become a sub-broker.	**2**
10.	Write any two conditions that SEBI grants to stock broker in order to buy, sell or deal in securities.	**2**
11.	State any two reasons where a trading member may be declared defaulter.	**2**
12.	Define current ratio. What does it measure?	**1+1=2**
13.	State two advantages of screen based trading system.	**2**
14.	Explain the four reforms in Indian securities market.	**4**
15.	State the eligibility to become a trading member of exchange.	**4**
16.	State the four features of activity log.	**4**

17. Explain in brief any four special features of market enquiry. **4**

18. Explain the role of different agencies of clearing and settlement cycle. **4**

19. Explain in brief any two problems pertaining to securities settlement. **4**

20. Explain any four types of turn-over ratios. **4**

21. **a.** Explain the consequences of expulsion of trading membership in the exchange.

Or **6**

b. Explain any six norms and procedures relating to surrender of membership to the exchange.

22. **a.** Explain any six types of order books in NEAT system.

Or **6**

b. Explain the market phase in NEAT system.

23. **a.** State the process of securities settlement by NSCCL. **6**

Or

b. Explain the steps in transaction cycle with diagram. (2x3 = 6)

24. **a.** Explain any six conditions dealing in securities where it is deemed to be fraudulent or an unfair trade practices.

Or **6**

b. Explain the dividend or payments which are not included in dividend under Income Tax Act, 1961.

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